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# Daily Report

# Central Eurasia

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# Daily Report
Central Eurasia

*FBIS-SOV-96-096* *16 May 1996*

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**Russia: Yeltsin To 'Examine' Fedorov Proposal on Coalition**

*LD1505132996 Moscow ITAR-TASS in English 1211 GMT 15 May 96*

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW May 15 (Itar-Tass) — Russian President Boris Yeltsin will study the proposal to create a coalition government in the country advanced by presidential hopeful and eye surgeon Svyatoslav Fedorov after a meeting with 13 leading bankers who had earlier called for a compromise between Yeltsin and his communist rival Gennadiy Zyuganov.

Yeltsin told Tass after meeting Fedorov on Wednesday [15 May] that he would "thoroughly examine" the proposal.

On Monday Fedorov voiced for the first time the idea of a "national unity government", which would unite representatives of major political parties and movements, but failed to explain how it could be formed.

Asked if Zyuganov should be offered the post of the prime minister in the coalition government and whether a compromise between Yeltsin and the communist leader was possible, he told Tass that he believed the two could reach a compromise on matters of principle. He said he himself was not looking for a post in the government.

According to Fedorov, the formation of such a government did not mean the cancellation of presidential elections.

Fedorov admitted that the only guarantee that the parties would observe the compromise after elections was the "decency and honesty of politicians".

**Russia: Zhirinovskiy Predicts Yeltsin Victory in Elections**

*LD1505132696 Moscow ITAR-TASS World Service in Russian 1232 GMT 15 May 96*

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 15 May (Itar-Tass) — "The presidential election will be won by Boris Yeltsin, while either I or Gennadiy Zyuganov will come second," Russian presidential candidate Vladimir Zhirinovskiy predicted at a news conference at the State Duma today.

The leader of the Liberal Democratic Party [of Russia, LDPR] expressed his confidence that the election will go ahead in any case. "The chances of a violent option are fading," he explained.

In Vladimir Zhirinovskiy's view, if a "grand coalition" of democratic forces is created, "Viktor Chernomyrdin will not be sacrificed for the sake of Grigoriy Yavlinskiy," contrary to what some mass media suggest.

The LDPR chairman once again accused the Russian mass media of being "biased" against his party, and also directed his wrath at sociological services, which, he said, are ere giving wrong forecasts of voters' preference for various contenders for the presidential post and playing down Vladimir Zhirinovskiy's chances in the election.

**Russia: Yeltsin Courts Free Press in Election 'Challenge'**

*LD1605071896 Moscow Interfax in English 0610 GMT 16 May 96*

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — Now that Russia is about to decide whether it will move onward for more reform or turn back, its independent media editions must unite for the sake of freedom and democracy, President Yeltsin said in an address to a nationwide independent press congress. Copies of the address was distributed by Yeltsin's press service Thursday.

What it did for the triumph of democracy and a new life style does "enormous credit" to the Russian press, Yeltsin said, but the Russian media editions "are facing a new challenge" in the runup for the June 16 presidential elections. "The Russian journalists can, and hopefully will, do a lot," Yeltsin also said.

In Yeltsin's view, the government "is running a debt with the journalists." Normal working conditions must be created for the national media and journalists must be protected against threats and harassment, Yeltsin said.

Yeltsin's policy for the national press remains unchanged: "no nation can be free without free press." He will do his utmost in a bid to protect the freedom of the Russian media, Yeltsin said.

**Russia: Kremlin Mailbag Shows Majority Support Yeltsin**

*MM1605100096 Moscow ROSSIYSKIYE VESTI in Russian 15 May 96 p 1*

[Unattributed report: "The President's Ability To Communicate With People Will Stand Him in Good Stead" — from the "Politics on Wednesday" section]

[FBIS Translated Text] The approach of election day is having the effect of increasing the number of letters sent by Russians to the country's leadership. According to the Administration for Human Rights, even the holiday

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period was no exception: From 29 April through 8 May [dates as published] a total of 553 letters were written on the subject of the Russian presidential election (there were 322 in the previous week) by people in 68 components of the Russian Federation. However, more than 40 percent of the mail came from Moscow and St. Petersburg.

More than 70 percent say they are prepared to vote for Boris Yeltsin again. I. Magomedov, for example, writing on behalf of people forced to flee the Chechen Republic, now living in the city of Makhachkala, had this to say:

"We Dagestanis and Russians, who have decided not to return to where we used to live, approved and supported your election program at a meeting. We know you are a consistent, principled champion of democracy and freedom. We believe in your success and ourselves will do everything possible to ensure that people we know make the right choice."

Several dozen telegrams of support for B.N. Yeltsin's candidacy were received during the week [as published] under review from the leaders of a number of rayons and organizations in Kemerovo Oblast: "Severokuzbassugol," the Tyazhinskiy branch of the Union of Kuzbass Women, the Mariinskiy Union of Peasant Farms, the Kommunenergo Joint-Stock Company, the Yashkinsk Agromekhmontazh firm, and others.

Representatives of a different viewpoint criticize the social cost of the reforms and associate the name of the incumbent Russian president with the decline in their living standards. Among this group are Reserve Captain V. Semenov from Smolensk Oblast; A. Lashlov, a resident of the village of Tereben in Kaluga Oblast; N. Golubeva, a pensioner from Pskov; and others.

Russians' attitudes to other presidential candidates does not come strongly through in the mail. G. Zyuganov is mentioned in only 15 letters, V. Zhirinovskiy in five, and M. Gorbachev in three. There is no reference to any of the other contenders in the mail under review, according to the Administration for Human Rights.

In addition to the factors detailed in previous roundups of the presidential mailbag published in ROSSIYSKIYE VESTI, letters in this latest weekly batch indicate new factors which, the authors believe, could decide the political attitude of some voters. For example, Yu. Vypolzov from Chelyabinsk Oblast regards the guarantees of free education as inadequate. S. Samsonov from Novgorod Oblast thinks it would be useful to resolve the question of early retirement for the unemployed and people losing their jobs. Readers living in Charyshskiy Rayon, Altay Kray, regard regular power cuts as "pre-election sabotage."

Professor O. Popov from Moscow thinks "the election's weak point is that it falls on a Sunday in summer, when many people will be out of town taking a break." He proposes extending the voting period.

The idea of postponing or canceling the elections because of fears that G. Zyuganov will win is voiced in several letters (most unsigned or without a full address). An anonymous letter from St. Petersburg contains the interesting suggestion of setting up a post-election council of the defeated contenders under the Russian president.

Some foreign citizens are also sending in letters about the Russian presidential election. A. Kletskiy [as transliterated] (Germany), for example, expresses the hope that Russia will retain the same president. V. Gi [as transliterated] (Britain) is confident that B.N. Yeltsin's obvious empathy with people will bring him victory. L. Miller from the United States, a specialist in the art of public speaking, has sent recommendations for holding debates between the contenders.

**Russia: Zyuganov Election Broadcast Outlines Program**

*LD1505232596 Moscow Russian Television Network in Russian 1635 GMT 15 May 96*

[Election broadcast by presidential candidate Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation and from the Popular-Patriotic Forces Bloc, entitled: "Russia — Motherland — the People"]

[FBIS Translated Text] [Video shows footage of demonstrations and servicemen in hot spots and voice-over by Zyuganov] I know my fatherland from the Baltics to Sakhalin. I have been to all the hot spots. I prepared a whole number of major documents about a possible tragedy in the country. Unfortunately, nobody listened to the word of the people at the time. If you read the document, which was written five years ago now, you will be amazed — it is a copy of today's life.

[Video shows Zyuganov with unidentified correspondent, sitting on a park bench] Lies are the form of existence of the current authorities: It is being shouted from all the rooftops. People are weary of it. They can see that the reality is different from what they are being told. They want to hear the people who for a long time, who have always, told the truth and remained loyal to the working man in this country.

I have full audiences. Audiences which can accommodate thousands, many thousands of people. For example,

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nearly 10,000 people came to a sports hall in Voronezh which can seat 5,000. In Lipetsk there were more than 20,000 people. The same happens everywhere.

Our program of economic stabilization is ready. We have also prepared the foreign policy program, the program for the social support and protection of servicemen, and the program of support for people on low income. We have already resolved a whole number of issues.

All we need to do is to strengthen the political levers. For this, we go to the election as a bloc. People say all the time that Zyuganov is representing the Communist Party at the election. But in this particular case I am representing an enormous bloc comprising veterans, officers, students, and women's movements. It also includes parties and movements oriented towards the idea of great state power.

Behind this bloc are almost 25 million voters who cast their votes in December. And they still continue telling lies and say that I represent a narrow social section of the population.

When I am asked what I want most of all I say that I want people when they leave their houses not to have to look behind them in fear. Second, I want people to know that when they get up in the morning and go to work they know that: Their working places are waiting for them; there will be no electricity cutoffs; and that there will be support and help so that, after working for a month, they firmly know that they will be paid what they earned. If they work well, they are encouraged and given bonuses. So that people know that they can say what they think. So that they know that they can freely travel around the country and that medical treatment is provided for their parents and education for their children. This is the definition of the well-being of every citizen. I am absolutely confident that there is no need for everyone to join parties or movements. The authorities are the most effective when they remain unnoticed by ordinary citizens.

We have set ourselves a task, our first decree or law will be to return everything, above all, to mothers, children, the sick and invalids; everything, including medical establishments, consultations, pioneer camps, sports grounds, and music schools. Irrespective of the thickness of the parents' purse, the child should have equal rights to education, to help, and support. If you have money to spare you can send your offspring whenever you wish. But every child, every family, and every mother should be confident that their son or daughter will receive good education in full with the state's support.

[Correspondent] What will follow if the communists come to power? Will you take back what has been privatized?

[Zyuganov] If you take it back tomorrow, the day after tomorrow there will be shooting all over the country. And it would be 100 times worse than Chechnya. Unfortunately, it has already taken place in a barbaric way, in violation of all norms, rules, and laws. But it did take place.

On the other hand, we advocate a varied economy. The country collapsed because there was a monopoly of one form of ownership and there was no basis for proper development. As a result, some gaps appeared into which everything is disappearing now.

We will support... [changes thought] ...if you privatized your enterprise but work normally, honestly, and conscientiously, if you multiply your own wealth, strengthen your country, and pay taxes — fine. We will not only support you, we will encourage you. Why do people privatize enterprises? So that their enterprise can improve its performance. However, instead, it comes to a standstill. Together with experts one should sort all this out: What, how, and why? Sometimes whole industries are destroyed.

Who suffers most at present? The working woman, the mother, and the housewife. She comes home but the fridge is empty. The pockets are empty. The husband is either at work, or unemployed, or comes home empty-handed. Do you understand? All these difficulties effect, above all, the family and, first of all, the woman. State programs are needed to support the family, motherhood, chiidhood, invalids, and so on and so forth. And the state should have funds for this.

Take the minimum wage. Five years ago it was R60 [rubles]. It was very little. My mother, who had been a teacher for 40 years, received a pension of R67. It was little but still she could feed herself and buy medicines and some other things. Now, this wage amounts to one-sixth of what it was. Workers used to be paid between R220 and R230 plus the social consumption fund of R250. A total of almost R500. At present this amount is only one-fifth or one-sixth of what it was.

In the past, we spent money on the war in Afghanistan. Now we do not. In the past, we spent money to support all our neighbouring countries, I can name them. We do not do that any more. Salaries and pensions have been reduced. Everything has been reduced between five- and 10-fold. And we do not spend money on huge programs, we do not invest anything in the production development. We do not have "construction projects of

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the century" any more. Nothing. Where has everything gone? Everyone steals everything.

The first thing to do is to stop the pillage of Russia. Open a foreign magazine: About 150, 200, some say as much as $300 billion dollars have been taken out of the country. If only this money had been in circulation in our banks here, the interest alone would have earned the country $20 billion dollars.

Therefore, elementary order should be established in exports and imports. This is one item in the budget. Another is to improve our own industry, to support jobs so that the working man can work. We used to receive one in every four rubles in the budget from the light and textile industries, about 25 percent. At present it is 2 percent. Let's take measures so that the textile industry resumes work again; it is in a very poor state now. And you will see that it will bring back jobs, money, salaries, and taxes. This is another item in the budget.

Last year 100 million tonnes of crude oil have been taken out of the country. Our own factories are working only to half of their capacities. Let's process more oil and we will receive enormous revenues from each tonne. This is another item in the budget.

[Correspondent] Is there a question which you have never been asked but which you would like to be asked?

[Zyuganov] There have been so many questions. But there is a question which is never asked, probably because people do not know. When I was studying Russian history, I was amazed by its unprecedented resilience and by one circumstance. Russia has had several "times of troubles." At present we have a typical time of trouble — the power is destroyed, conscience is paralyzed, and there is no political will. People can see that everything is being taken away but they cannot organize themselves — these are the main characteristics of the time of troubles. From its previous times of trouble Russia would emerge seven or eight years later. The seventh year is coming. And every time it would emerge stronger. Therefore people, relying on the experience and will of their predecessors, we must realize that it depends on you whether Russia will emerge from its latest time of trubles on the seventh or eighth year and whether it will emerge stronger. I believe that Russia will rise fron its knees. [passage omitted]

**Russia: Zyuganov Visits Hospital, School on Campaign in Perm**

*LD1505213296 Moscow NTV in Russian 1800 GMT 15 May 96*

[Video report by correspondents Yevgeniy Revenko, Nikolay Lomakin, Vladimir Dovgal from the western Urals; from the "Segodnya" newscast]

[FBIS Translated Text] [Correspondent] [video shows Zyuganov and Aman Tuleyev at meeting, Zyuganov on walkabout] Gennadiy Zyuganov was joined by his chief election aide, Aman Tuleyev, in Perm today. The latter straightaway took on part of the campaigning. At a meeting with students and teachers at local further education colleges, he explained he was running in parallel in the elections, because the conditions of the campaign were unequal. Tuleyev assured them that in the final stage of the campaign he would definitely stand down.

[Begin Tuleyev recording] Finally, I call upon you to vote for one person, for Gennadiy Andreyevich. Why? Because it will be morally criminal for Tuleyev to be still in the race; we will simply split the vote. [end recording]

[Correspondent] Tuleyev's presence in Perm really did help the communist leader. The Communist Party of the Russian Federation has not yet managed to get itself organized here, an obkom [oblast party committee] was set up only recently. Gennadiy Zyuganov became aware of the shortage of party men as soon as he got to the railway station where he was greeted by neither orchestra nor slogans. Before he had his meeting with students there was a picket awaiting Zyuganov, with slogans hardly pleasing. [video shows students with banners saying "We won't write off Yeltsin!" "The communists have a majority in the Duma, what's stopping them from solving the problems of the country and people?"; Zyuganov visiting a hospital]

For the first time in all his travels, the presidential candidate decided to pop into a regional hospital. Here he was met by the chief physician, who told him about the shortage of financing. The nurses confirmed the same thing; they have not been paid any wages for about a month. Nevertheless, the patients are not complaining about the nursing; although, there is not enough money for them, either.

[Begin female patient recording] Well, yes, I am sleeping mostly in my own sheets. We have to hunt for our own medicine and pay for it, or get our relatives to get it somewhere. [end recording]

[Correspondent] [video shows Zyuganov talking to staff, in meeting] Gennadiy Zyuganov assured the

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medical staff that he had come to help, but it is not clear where he will get the funds to fulfill his promises. In a conversation with the regional vice-governor, Zyuganov, true to form, evaded replying to this question.

[Begin Zyuganov recording] That is a perfectly legitimate question, though any citizen of the country has a question to ask in reply. [end recording]

[Correspondent] [video shows schoolchildren, classroom; Zyuganov signing autographs] After his fiasco with the school textbooks, the communist leader decided to find out for himself about secondary school education. After talking with teachers, Zyuganov looked into the first grade and in the 11th grade, interrupting their essay class; he presented them with a few campaign brochures for their literature lessons.

As it turned out, the pupils in the top class were not over-enthusiastic about presidential candidates visiting the school.

Presidential candidate Gennadiy Zyuganov ends his campaign tour to the east tomorrow. Today, the communist leader is heading for Yekaterinburg, Boris Yeltsin's homeland, accompanied by Aman Tuleyev. This will be perhaps the most difficult point in Zyuganov's week-long campaign in the regions.

**Russia: Zyuganov Promises Voters Mixed Economy**

*LD1505123996 Moscow Radio Rossii Network in 0440 GMT Russian 15 May 96*

[FBIS Translated Text] Radio Rossii continues with its free Russian presidential candidate broadcasts. In line with the draw held by the Central Electoral Commission, Gennadiy Andreyevich Zyuganov, leader of a coalition of popular-patriotic forces, will address you today.

[Begin Zyuganov recording] The CPSU was not merely a party. It was a system of management, organization, and control. It was a rigorous system. It failed to stand the test of time because it had been pervaded by toadies, and many people who are in authority today were shaped by the CPSU. Our party is seriously different in a number of ways. First of all, our party strictly follows the rules and the law and it abides by the law. Our party recognizes the need for a varied economy where all forms of economic activity, both collective, private and state-run, coexist and are supportive, but only if they too act strictly within the law, pay taxes, build up the country's wealth, and their own prosperity.

Our party is in favor of a multi-party system. In other words, by competing with one another we can present our programs and teams to the voter, and it's for the voter to choose the course and policy closest to his heart. At the same time, we are saying straightforwardly that proper management is impossible without people's power and democracy. We insist therefore that all the forms of popular representation, from top to bottom, be reinstituted and we will stick to this idea firmly and consistently. That's why ours is a modern party geared towards the next century. It's enjoying enormous support today. Its membership is over half a million people, it publishes dozens of newspapers and magazines and it has become a linchpin of a bloc of popular-patriotic forces which has a following of almost 25 million, according to the voting last December. In other words, it's a considerable organization which was, and will be, reckoned with in the country.

I understand clearly that any redistribution of power and property implies tough confrontation. We see the situation that has come about today as catastrophic. To roll back any further would drive us into an abyss. And if you start taking it all back tomorrow, I assure you, fighting worse than in Chechnya will flare up the following day. So in our view we should create a varied economy on the basis of what exists today. If a privatised enterprise works — pays taxes in full, and on time, and makes its worthy contribution to strengthening the state — we will encourage it. There are enterprises in our country which have been privatised but they are at a standstill. In any state the purpose of privatisation is to make enterprises work better. We must sort things out here. And in some cases they have simply closed down. But we must keep in mind one thing: our economy has fundamental traditions. Our industry was founded by Peter the Great and in many respects it was a state-run operation at the time. Tsar Nicholas II used to receive more than half of his funds from state-run enterprises. We have huge expanses and territories, the cold and polar zones account for two thirds of the country's territory, and the so-called free market can't operate over there, moreover it doesn't exist. Regulated relations are needed. So state regulation should be aimed, first, at encouraging commodity production in all the forms of economic activity; second, at strictly ensuring the payment of taxes; third, at providing support for our talented people, students, scientists, engineers and entrepreneurs; at protecting our commodity producers and providing state support for them. Protection against racketeers should simultaneously be accompanied by a policy of finding new markets for our country in the south, west and east.

So that's the main point of state policy. Nobody therefore is going to redistribute or take away anything. We're talking about a wise state policy which would ensure a sensible combination of all forms of economic ac-

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tivity. We are in favor of finding a sensible combination of different forms of ownership and economic activity. As regards the state, it should be a considerable and serious proprietor. It should run its own property and economic facilities rather than only collect taxes. The state should be in possession of such forms of property which would enable it to protect children, provide medical services for the elderly, implement socio-cultural and economic programs, develop infrastructures, develop difficult and remote regions where we have our main natural resources. Herein the purpose of the state lies as well as in maintaining a reliable army and public order. And to achieve this the state should own or have controlling blocks of shares in power engineering, the military industrial complex, railway transport, aviation, fundamental sciences and education. The state can replenish its sources from our huge mineral resources. Our state has enormous property abroad, more than $100 billion and even that figure is based on very modest estimates, I believe. Our state has foreign debts too. We are owed nearly $150 billion. And we owe a lot as well. Some countries can pay us back with goods and materials. In other words, the state has many sources of income and if it puts things in order in this area it will be capable of fulfilling its functions. At the same time, rather than suppressing commodity production, the state should give maximum support to small, medium and large businesses, expand its markets, boost this process, attract foreign investments and use them for such targets which will benefit our children and grandchildren, for achievements in science and culture rather than the war in Chechnya, heavy drinking, embezzlement and lavish banquets.

Normal democratic development is impossible without political competition and opposition. The CPSU became affected by rot and eventually collapsed because it was powerless to relieve of his duties an apostatical general secretary [gensek-rasstriga] who was busy selling out and betraying. Moreover, being aware of that, we have submitted a law on opposition activities to the State Duma. In accordance with this law, guarantees for these activities and state protection against possible attacks have been proposed.

Everybody must abide by the law, both an ordinary citizen and a president. And nobody can be threatened with prison or gulags. These things should be strictly in accordance with the verdicts of court trials and with the documented evidence deemed valid by the courts. We are prepared, first of all, to hold a round-table discussion and sign an agreement pledging ourselves to strictly abide by all the laws and rules and to submit ourselves to the people's will as it will be shown in the elections. We guarantee that we will refrain from persecution for political or ideological reasons. Enough of strife and divisions! The country wants concord, peace and calm normal work. We therefore will do everything possible and support everybody who is guided by the following three concepts: Russia, motherland, and the people. Thank you.

**Russia: Communist Party Leaders Doubt Zyuganov Remarks in Interview**

*LD1505211696 Moscow NTV in Russian 2000 GMT 15 May 96*

[From the "Segodnya at Midnight" program presented by Aleksandr Shashkov]

[FBIS Translated Excerpt] Yesterday, Interfax quoted Gennadiy Zyuganov as saying in an interview to the AMURSKAYA PRAVDA newspaper that he does not intend — I quote, according to the agency — to carry out everything that Kuptsov, Makashov, and other odious personalities in the Russian Communist Party [CPRF] top leadership tell him to. End quote. His party comrades do not believe the press.

[Begin recording] [Anatoliy Lukyanov, captioned as chairman of Duma Legislation Committee] I find it hard to believe that Gennadiy Andreyevich really did say what the newspaper says he did. The thing is that Gennadiy Andreyevich remains a Communist, I have known him a long time, and the collective opinion of the party is law for him, and he has never deviated from that.

[Svetlana Goryacheva, captioned as deputy chair of State Duma] I would not rule out that there is some sort of falsification, that the meaning was simply stretched, that should certainly not be ruled out. However, one should fully understand that, like any political force, the Communist Party of the Russian Federation has a more radical wing and a more conservative wing, and a centrist sector as well, that is obvious. In my view, the centrist sector, the common-sense sector, prevails over the other wings of this political force. So, there are simply of grounds for thinking that either of these wings will dominate, so to speak. [end recording]

However, what the CPRF leader said about the party rules not extending to the rights and duties of the president of the country — also quoted by Interfax, citing AMURSKAYA PRAVDA — looks not only sensible but also plausible, given the natural desire of the presidential candidate to please the largest number of voters. [passage omitted: CPRF had to deny Varennikov's recent statement about a maximum program] [Video shows archive video of Communist rallies]

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Gennadiy Zyuganov is trying to portray himself as a nationwide leader, not a representative of a minority of the country's population. All the more so in that he has before him the example of his chief rival, who has rejected many suggestions to set up a presidential party. On the other hand, aside from the political dividends, statements like these could deprive the CPRF leader of the support of the more orthodox communists. Considerations such as these, apart from personal offense, evidently are forcing other party leaders to write off the interview published by AMURSKAYA PRAVDA as machinations of correspondents and rivals.

[Begin recording] [Valentin Kuptsov, captioned as deputy chairman of the CPRF faction in the State Duma] In my view, it is a falsification, and not the first falsification either, over the last six weeks or so. This sort of thing has been going on a long time; it is being done cleverly and subtly, with the aim of driving a wedge between Zyuganov and me, or between me and Gennadiy Seleznev, or between Seleznev and Zyuganov. This triangle is coming under constant close attention at the moment. I can show you a document, an instruction which has been issued — I can show it you, here is the number of the instruction — which says directly that in order to fight the CPRF, on the one hand Gennadiy Andreyevich must be put up against Makashov and VIktor Anpilov, and on the other hand, with Kuptsov. So, having this document as instructions for action, I see this as a well constructed scenario for combating the party. I regard this quite calmly. There are no disagreements in the party leadership, we are completely unanimous on all fundamental issues. [end recording]

One should first of all point out that the document demonstrated by Valentin Kuptsov recommends not sowing dissension among the leaders of the Communist Party, but on the contrary, showing their unity. Second, the authenticity of the document could be subject to doubt. However this may be, nobody seems to have abolished the slogan that the end justifies the means, and Paris is worth a mass.

**Russia: Gorbachev Says He Is 'Armed But Not Dangerous'**

*LD1505214896 Moscow Radio Rossii Network in Russian 1745 GMT 15 May 96*

[Campaign address by Mikhail Sergeyevich Gorbachev, presidential candidate, on free air time allocated by Radio Rossii; place and date not given — recorded]

[FBIS Translated Text] [Gorbachev] I have appealed to all candidates for the presidential post to declare that there should be elections, that they must be free and honest, and the candidates must sign some kind of a pact of solidarity to the effect that power will be transferred in accordance with the choice made by the citizens of Russia, in free and honest elections. The Constitutional Court and our parliament must be their guarantors. We must teach ourselves and everyone else to live by the Constitution. I do not want this government, which created this difficult situation, to remain at the helm. Neither do I want to see Zyuganov's group, the Communist Party of the Russian Federation [CPRF], coming to power. The CPRF is not like other parties of eastern and central Europe, which have new programs and new recruits. Many young people joined them and went on to lead the reforms after being in the opposition for a few years. The CPRF is not ready for it.

So, having analyzed this situation, I decided to take part in the elections with my program, which is an alternative to both that of Yeltsin's team and that of Zyuganov's team, which wants to restore the past. At school we learned to prove theorems assuming that the opposite was true. The powers-that-be have seen that people want to give votes to other candidates, not to Yeltsin or Zyuganov. They saw that the third force might win if it sets up an alliance and they began splitting it. Zyuganov invited [Svyatoslav] Fedorov to join and cooperate.

Incidentally, I was approached in some regions by representatives of the CPRF and asked to get in touch with Zyuganov about a possible alliance. One could talk to Zyuganov, I said. But how would I talk to Lukyanov, Varennikov, Makashov, and Starodubtsev — all those who sabotaged the signing of the union agreement and staged a coup d'etat in August 1994 — dealing a blow to the whole country! I will not even shake hands with any of them, let alone cooperate in politics. We, Russians, cannot rely on these people. That is why I want to see the third force turning into reality.

I had contacts with Fedorov and [Grigoriy] Yavlinskiy. We agreed that each one should deploy his presidential campaign and that life will show us later who has got more chances. I believe my younger political partners should listen up to what I say, because I had the experience of running a region, a city, ten years in the Stavropol Territory, seven years in the Politburo. I have run the country, conducted reforms, achieved great successes at home and abroad, made big miscalculations and mistakes — all this is worth something. When Russia is in such a situation, one needs an experienced man, rather than someone who has jumped out of a tank right into the chair; or someone who jumped out of a research lab into the chair and began to steer. Where are you steering, what are you steering? One should take one's bearings first. One should first try and steer

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something else. However, they would be great as a part of a team.

I have the fund of social and political research at my disposal. This fund has gathered enormous information and huge scientific momentum — this is a very strong fund, universally acknowledged in the United Nations. So, I am armed, but not dangerous. A man who is committed to democracy and freedom is not dangerous. Even now, against the background of all these dramatic events, I can say that the country is changing. We are beginning to learn to live, to display initiative, to survive in the market conditions. Millions of people have understood that we cannot live in a welfare state. I think people have now understood that one should have a job and display one's abilities, that this encourages one's initiative and attitude to life. I could say much more.

I could say a lot more, but I will not, because the negative effect of these five years of reforms outweighs tenfold the positive effect. Both the president's team and the opposition have acknowledged this. Some, Yavlinskiy for instance, say that Yeltsin's reforms have benefited 6 to 7 percent of the population. I ascribe to what the president's team also believes: that the reforms have benefited 10 to 12 percent. All others have lost so far. The most important thing is the life of people, their future, their uneasy present. There have been positive things, but not enough of them to vote confidence in this regime. It has lost trust.

I must say that both my family and myself have not had an easy life. Our life is unique and we have had a lot to go through. Many things brought us joy; we have achieved some things that the Russian people and other peoples of the USSR needed, that opened new prospects and new cooperation for them. This all happened. However, my family and I had to endure much. We were forced into an information vacuum and heard lots of slander and dirty allegations that we could not counter. Not everyone, you understand, would be able to emerge from it. We did, probably due to the fact that I have always had a clear conscience. I could and did make mistakes. However, I have lived by what I believe in and this keeps us all going.

Of course I do not feel as good as I felt twenty years ago, but it is much better than it could be after everything I have been through. Do you think it was easy? I had to change the attitude of all members of the Politburo, of all leadership, of a huge section of the Soviet society, to make them understand that people must not be deprived of their freedom, jailed or confined to madhouses for as little as critical remarks. It was Gorbachev, no one else, who gave them this freedom. I had to do a lot of work, first of all with the Soviet leadership, to achieve glasnost and annul the laws that were used to persecute people.

First dissidents, like Sinyavskiy, came to visit from Paris, having heard that Gorbachev had begun his electoral campaign and is visiting provinces. Do you remember the process of Sinyavskiy and Daniel. Sinyasvskiy and his wife, Maria Vasilyevna Rosanova; Vladimir Maksimov, my fellow-countryman with whom I parted company but got together again later. We both understand that we should help our country, our land and our people, to make good use of freedom and rebuild our country. I can have long political debates with Aleksandr Isayevich Solzhenitsyn; although, we do not disagree all that much. He is a man they could not bend whatever they tried, condemned him, threw him away, but he remained a man wit a great sense of civic duty who always says what he thinks and who told lots of home truths about what the power was like and what it did to the people.

First commercial banks were set up under perestroyka, first leaseholds, work collective agreements, self-sufficient enterprises and cooperatives — everything that pushed people ahead, that taught them new rules of the game was set up then. Laws governing the financial system bases on initiative and pluralistic economy also appeared at that time. I believe the Russian Government has gone to seed: It should not have allowed the Russians to be swindled and robbed. I believe it is crystal clear that we should index-link deposits in the Savings Bank and to return them to people. These are, by the way, a source of financial investment and of the structural changes.

The government and the local administration must not ignore financial companies: They should do all they can to return to people the money they lost.

Gorbachev has learned the hard way the lessons of the ethnic policy; however, Gorbachev has always tried to avoid bloodshed in tackling ethnic conflicts. This did not always work and there was blood, unavoidably. However, my approach was that everything should be done without blood. Ethnic problems should also be resolved without bloodshed; there cannot be any winners or losers. One must be very careful in the ethnic issues. I come from the Caucasus myself; I lived in a multi-ethnic territory and I have spent a long time researching these issues. I know what should be done and I have the right to count on the understanding of my program and on support.

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**Russia: Fedorov Opposes Gorbachev's Election 'Alliance of Four'**

*LD1505122296 Moscow INTERFAX in English 1121 GMT 15 May 96*

[FBIS Transcribed Text] MOSCOW, May 15 (Interfax) — Presidential candidate Svyatoslav Fedorov opposes the idea of creating "an alliance of the four," proposed by another presidential candidate, former Soviet president Mikhail Gorbachev.

Gorbachev suggested that presidential candidates Grigoriy Yavlinskiy, Aleksandr Lebed, Svyatoslav Fedorov and himself urgently meet to choose a single candidate. In his opinion, such a coalition might win up to two thirds of the votes.

Svyatoslav Fedorov told a press conference at the Interfax main office Wednesday that "such a union does not decide anything." He believes that an alliance of this kind will be opposed by a large part of the population of the country "which has an enormous number of left-wing parties and movements."

"Then confrontation will become the focal point," said Fedorov. "We need to solve the problems of restoring the economy and the social sphere," he said.

**Russia: Chernomyrdin Has Closed-Door Meeting With Zhirinovskiy**

*LD1505161595 Moscow ITAR-TASS World Service in Russian 1533 GMT 15 May 96*

[By ITAR-TASS correspondent Artem Protasenko]

[FBIS Translated Text] Moscow, 15 May (Itar-Tass) — Chairman of the Russian Government Viktor Chernomyrdin held a brief meeting this afternoon with Russian presidential candidate and leader of the LDPR [Liberal Democratic Party of Russia] Vladimir Zhirinovskiy, the ITAR-TASS correspondent learned from informed sources in the president's administration. The sources did not reveal the issues discussed at the meeting. The meeting was unplanned and held behind closed doors.

**Russia: Zhirinovskiy Seeks Preelection Meeting With Yeltsin**

*LD1605111296 Moscow INTERFAX in English 1005 GMT 16 May 96*

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — Leader of the Liberal Democratic Party of Russia and presidential hopeful Vladimir Zhirinovskiy has asked Prime Minister Viktor Chernomyrdin to arrange a meeting between himself and President Yeltsin in the context of a series of meetings between the incumbent and his possible replacements.

"I found out that instead of inviting presidential hopefuls for a talk, the president expects them to request a meeting," Zhirinovskiy told Interfax.

Zhirinovskiy will strongly recommend Yeltsin to hold the elections on June 16. Any postponement of the elections will mean a blow to democracy, he told Interfax.

In addition, Zhirinovskiy will urge Yeltsin to form a broad coalition with other participants in the electoral race and not to be afraid of sharing power.

In Zhirinovskiy's view, the presidential hopefuls may agree to throw their weight in support of Yeltsin's bid for re-election if they know they will form a coalition Cabinet if Yeltsin wins the elections. But, Zhirinovskiy stressed, Cabinet positions must be divided before the elections take place.

He and Chernomyrdin met Wednesday in order to focus on Duma matters, Zhirinovskiy said. Zhirinovskiy passed on lawmakers' questions to Chernomyrdin and asked the Prime Minister to arrange a meeting with Boris Yeltsin.

**Russia: Zhirinovskiy Speaks Against Alliance With Communists**

*LD1505145996 Moscow 2x2 Television in Russian 1354 GMT 15 May 96*

[FBIS Translated Excerpt] Vladimir Zhirinovskiy does not doubt that the elections will take place as scheduled and that Boris Yeltsin is the most obvious winner. He said this at a news conference in the Duma on 15 May.

[Begin Zhirinovskiy recording] A formula will be found which will give the country its second wind. [end recording]

The LDPR [Liberal Democratic Party of Russia] leader assured those present that no-one wants bloodshed since this does not yield anything and does not solve problems. He said that only a coalition government, which should be set up irrespective of the outcome of the election, would allow the country to move ahead. However, he categorically denied the possibility of any alliance with communists. It is possible that he is motivated by personal reasons.

[Begin Zhirinovskiy recording] Two of my brothers are communists: one is dead and the other is alive, but he will also die soon. [end recording] [passage omitted]

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**Russia: Lebed Agrees to Coalition Only as Presidential Candidate**

*LD1505123896 Moscow ITAR-TASS World Service in Russian 1118 GMT 15 May 96*

[By ITAR-TASS correspondent Viktor Yelmakov]

[FBIS Translated Text] Novosibirsk, 15 May (Itar-Tass) — Aleksandr Lebed agrees to enter a "third force" coalition only as a common candidate for the post of president. "Under the present circumstances, I am not willing to yield anything to anyone and I do not intend to do so, but I am willing to examine any other options," he said at a news conference in Novosibirsk today in answer to the ITAR-TASS correspondent's questions.

Regarding the place in a coalition of other leaders of the "third force," Lebed called Grigoriy Yavlinskiy "a splendid candidate for prime minister." For Svyatoslav Fedorov, he voiced his intention specially to set up the post of vice president. "We are holding endless negotiations," said Lebed, estimating the chances of a coalition being set up. However, he noted: "The whole problem is that we have different views of the situation."

**Russia: Trial Elections To Be Held at 10 Moscow Polling Stations**

*LD1505141796 Moscow Radiostantsiya Ekho Moskvy in Russian 1200 GMT 15 May 96*

[FBIS Translated Text] Trial elections will be held today at 10 polling stations in the North-Eastern Moscow constituency. Five names have been put on the voting-papers: Boris Yeltsin, Grigoriy Yavlinskiy, Aleksandr Lebed, Svyatoslav Fedorov, and Mikhail Gorbachev.

Irina Khakamada, member of the action committee for conducting preliminary elections, told the "Moscow Echo" radio station about the aims of this action, which is an unusual one for us.

[Begin Khakamada recording] The idea was to hold primaries, that is preliminary, sort of voluntary elections to find out the real public opinion, in one of the Moscow constituencies. Moreover, primaries only among the democratic candidates, candidates of the democratic camp, so as to find out, on the basis of a small Moscow district, who is regarded by public opinion as the leader by the actively voting electorate, and thus to stimulate already in the first round a unification of democratic forces around a single candidate. That is, to kind of get the facts. [end recording]

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**CIS: Secretary Korotchenya Previews Moscow Summit**

*MM1605091496 Moscow ROSSIYSKIYE VESTI in Russian 16 May 96 p 1*

[Interview with CIS Executive Secretary Ivan Korotchenya by Mikhail Ovcharenko; date and place not given: "Each CIS Summit Represents a Move Toward Developing the Belovezhskaya Accords. Commonwealth Leaders Associate Preconditions for and Prospects of Integration With Russian Federation President Boris Yeltsin's Work"]

[FBIS Translated Text] A meeting of the CIS heads of state opens in Moscow tomorrow [17 May]. On the summit's agenda is the ratification of the long-term plan for the integrated development of the CIS over the coming two years and the discussion of questions of further multilateral cooperation. It is also planned to adopt a Statement on Support for Democratic Processes in Russia. CIS Executive Secretary Ivan Korotchenya ponders the Commonwealth's problems and its future during a conversation with ROSSIYSKIYE VESTI's correspondent Mikhail Ovcharenko.

[Korotchenya] Anyone who has built a house will agree that building a big home for a family, for future generations is a long and difficult business. Life is more diverse and complex than any comparison. But you cannot avoid it when talking about building our common home, the CIS. After all we, our children, and our children's children have to live in it.

In December we will celebrate the fifth anniversary of the CIS, which now comprises 12 former Soviet republics. A short period both for people and for history. The foundations of the Commonwealth were laid back in the Belovezhskaya Accords. What has been achieved, what dominates its life today? What will happen in the future?

The independent states which have appeared on today's map of Europe and Asia have boldly taken the plunge and "gone it alone." However, while recognizing the legality of the new states, the world community has not seen them as equal partners. They have been unable to occupy the niche left in international organizations following the breakup of the USSR. The leaders of the new states were beset by the burden of internal problems overnight.

It was in the latter half of 1992 that the idea of rapprochement began gestating in the CIS countries: rapprochement on a new foundation, mindful of state sovereignty and the emergent market economy. Living alone was proving extremely difficult.

[Ovcharenko] This has been most clearly manifest in the economy. What could counter this process?

[Korotchenya] The first weighty step toward CIS rapprochement was the conclusion in 1993 of the Treaty on Economic Union. There are signs of change. Several hundred joint decisions have been adopted, many of which have already been implemented while others are geared to the future. Around 60 interstate sectoral councils have been set up, whose main task is to promote further integration. The Interstate Economic Committee is at work elaborating strategy and tackling concrete interstate problems in the creation of new economic relations.

Let us ponder a difficult question: How can you harmonize the CIS states' extremely different levels of economic development? We proclaim the following aim in our documents, namely the creation of a common market for goods, services, capital, and labor. But that is difficult.

However, to disregard the real problems, on the one hand, and artificially speed up the processes of rapprochement, on the other, could discredit the very idea of integration and turn CIS organs into something like the former socialist state planning commissions.

I see multispeed movement on integration processes as the solution to the problem. That happens in life too.

Russia, Belarus, and Kazakhstan, which were the "trailblazers" in the integration movement, have set up a Customs Union, which has begun to work effectively for the partners. Here is a small example: With the lifting of customs restrictions commodity turnover between Russia, Belarus, and Kazakhstan more than doubled in 1995. Border checks have been abolished over a 9,000-km border and over 150 customs posts and checkpoints wound up.

I am sure that Commonwealth leaders have studied these figures carefully. The Customs Union was recently joined by Kyrgyzstan. It is the way ahead for the countries that join it.

The future holds the further development of the Payments Union and broadening cooperation in the sphere of transport and power generation. With the help of highly skilled lawyers, economists, diplomats, and political analysts it has been possible to organize a coherent treaty-legal system of relations within the CIS. A treaty base has already been created for multilateral relations, which have, moreover, been bolstered by bilateral accords.

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CIS leaders realize that integration processes are not advancing as rapidly as they would like. But things are moving.

A great deal has already been said about the significance of the Russian-Belarusian Community and the treaty between the leaders of Russia, Belarus, Kazakhstan, and Kyrgyzstan. I would like to stress that for the first time in the CIS framework supranational organs have been set up, with implementation of its decisions mandatory for every member country. And the countries took this step voluntarily. I believe that other states will also be more active in joining the integration processes in the near future.

[Ovcharenko] Russia is often described as the leader in the integration process. But people often capitalize on that to talk about Moscow's imperial interests.

[Korotchenya] The claims that Russia is trampling on the Commonwealth countries are quite unsubstantiated. Never in the past four and a half years have Russia's leaders imposed their will on others. There have been intensive exchanges of opinions at very varied levels in the quest for compromise solutions based on political consensus and in the interests of our peoples.

Nor is there any substance to the claims that Boris Yeltsin, in holding the meeting in Moscow ahead of the election, has allegedly "played his latest trump card." First, the incumbent Russian president has been deservedly elected chairman of the CIS Heads of State Council. Second, the Commonwealth leaders agreed back in January this year to meet in Moscow.

I am bound to say that there is a failure in the United States and other countries to understand the problem of the CIS or sometimes a tendency just to ignore it. I have seen this during my countless meetings with foreign politicians and members of the public. But the CIS' prestige is increasing within the international community. The Commonwealth has observer status at the United Nations and our representatives are at work in many international organizations.

[Ovcharenko] In what way is this, the 20th meeting of the CIS heads of state, fundamentally different?

[Korotchenya] We are now at a crucial stage. Integration has acquired tangible forms and been given concrete substance.

There are nine items on the agenda for the Moscow summit but, if you count the fact that the last item — "Miscellaneous" — consists of three subsections, there will be 11 in all.

UN Secretary General Butrus Butrus-Ghali will meet with Commonwealth leaders once the official agenda has been completed.

### CIS: Economic Cooperation Organization Members Call For Overhaul

*LD1405175396 Moscow INTERFAX in English 1606 GMT 14 May 96*

[FBIS Transcribed Text] ASHGABAT, May 14 (Interfax) — The presidents of Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan and Uzbekistan have signed a declaration calling for an overhaul of the Economic Cooperation Organization, whose fourth summit has just ended in Ashgabat. A new ECO Charter was approved which will be signed at a ministerial meeting in Izmir, Turkey, next fall.

The presidents also signed a memorandum of understanding on the need to overhaul ECO, Turkmen President Saparmurad Niyazov said at a news conference which followed the summit.

"Not only have we agreed on the priorities of the organization such as transport, communication and energy, but we also identified specific priority projects, notably the construction of a railroad and pipeline from Turkmenistan to Pakistan, to the Indian Ocean coast," he said.

Bilateral, trilateral and quadrilateral documents were signed in the course of the meeting, Niyazov said. These are a Pakistani-Turkmen agreement on international road traffic, a Turkmen-Iranian-Kazakh memorandum on cooperation in construction of the Astrakhan-Yeraliyevo-Turkmenbashi-Bandar-'Abbas railroad line, and a memorandum on construction of a Turkmenistan-Afghanistan-Pakistan pipeline, he said.

Most questions at the news conference were provoked by a statement made by Uzbek President Islam Karimov about a possible withdrawal of his country from ECO "if attempts at politicizing the organization continue."

Karimov reemphasized that, in his view, ECO must attend only to economic issues, above all roads and communication lines between the member nations.

"We reject the use of the forum for attacks on countries which are not represented. This is improper and unethical. If this trend continues, we have no business to do here," Karimov said. He believes that political problems should be discussed "outside the framework of the agenda."

Turkish President Suleiman Demirel also said that ECO is, above all, an economic organization. But, he

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continued, because they are political figures, presidents can exchange views on regional problems, "for other presidents to know our opinion and for us to know theirs."

Beyond that, Demirel said, these issues should not be debated or covered in ECO documents. This will keep ECO an economic organization.

Following the news conference, Zafar Saydov, secretary to Tajik President Emomali Rakhmonov, made a statement made by his chief available exclusively to Interfax. The statement says:

"Tajikistan shares the view that politicizing ECO would be unacceptable. If the politicization trend, which is inconsistent with the status and charter of ECO as an economic organization, is continued, Tajikistan reserves the right to leave the organization."

The next ECO summit will be held in Kazakhstan in the first half of 1998.

**CIS: ITAR-TASS Carries Press Review for 16 May 96**

*LD1605060996 Moscow ITAR-TASS in English 0519 GMT 16 May 96*

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW May 16 (Itar-Tass) — Follows a review of Thursday's Moscow-based Russian newspapers dated May 16.

IZVESTIYA on the speech made at the State Duma meeting on Wednesday by First Vice-Premier Vladimir Kadannikov.

In his remarks Kadannikov adhered to the Russian Finance Ministry's version circulated by the Ministry's Press Service: The Federal budget deficit of 20,800,000 million roubles is accounted for, first of all, by ill-drafted laws adopted by the State Duma. Touching upon the formation of next year's budget, he pointed out that "budget-97 is based on a cardinal breakthrough in the collection of taxes".

ROSSIYSKAYA GAZETA on Russian United Industrial Party (RUIP) conference.

Participants in the RUIP conference have declared in favour of holding Russia's presidential elections at the date which was fixed by the Federation Council — on June 16. More than 100 delegates, representing 50 regional organisations of RUIP, adopted a resolution in support of the Russian president's efforts to consolidate society.

ROSSIYSKAYA GAZETA on CIS meeting on energy security.

In an article headlined "We have got tired of being the energy donor" about CIS countries' meeting on energy security, chaired by Oleg Lobov, Secretary of the Security Council to the President of the Russian Federation.

In the opinion of Prime Minister Viktor Chernomyrdin, who addressed the meeting, it is essential, first of all, to revitalise investments in the energy infrastructure which is being worn out. Russia affords promising deposits of oil and gas and it will welcome investments in them from CIS countries, he said.

ROSSIYSKIYE VESTI on the Commonwealth of Independent States (CIS) integration efforts.

"Russia, Belarus and Kazakhstan, which have become the 'ice-breakers' in the integration movement, have established a Customs Union which has begun to work effectively for the partners' benefit," CIS Executive Secretary Ivan Korotchenya told the newspaper in an exclusive interview on the eve of the 20th meeting of the CIS Council of the Heads of State, opening in Moscow on May 17.

"Following the lifting of customs restrictions, trade turnover between Russia and Belarus grew by 60 per cent in 1995 and that between Russia and Kazakhstan went up by 56 per cent. Border examinations have been abolished along tyhe stretch of 9,000 kilometres, and more than 150 customs posts have been eliminated. In prospect, the three countries are to further develop the Payments Union and to give greater scope to cooperation in transport and the power industry as a new stage of multilateral contacts," Korotchenya said.

ROSSIYSKIYE VESTI on efforts to secure the release of hostages in Chechnya.

The newspaper tells the story of the release of 32 builders, who were taken hostage by Dudayev militants in Chechnya. The writer of the article reports that a Provisional Working Group, headed by Colonel-General Valery Patrikeyev, has begun to function within the framework of the Presidential Commission for Prisoners of War, the Interned and the Missing.

As a result of the Group's activity, 18 people were freed in February, 33 in March, 15 in April and 7 at the beginning of May — 82 hostages, all in all.

"It is clear that the problem has not been resolved completely and remains rather acute: 700 servicemen, Interior-Ministry personnel, and more than 50 civilians have been listed as missing," the article points out.

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ROSSIYSKAYA GAZETA on causes of the insolvency of some banks.

The newspaper carries an article by Konstantin Shor, Head of the Bank of Russia's Main Department for Moscow. He believes that the story concerning Chara Bank is only one of many. The main causes of the insolvency are the non-professionalism of directors, lax control, and at times abuses of authority by the owners of banks. The main thing is that an announcement about this or that bank's insolvency now punishes the victims and exonerates the culprits.

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**Russia: Foreign Ministry's Stance on NATO Criticized**

*MK1505125196 Moscow MOSKOVSKAYA PRAVDA (MOYA GAZETA Supplement No. 17) in Russian 15 May 95 p 9*

[Editorial by Andranik Migranyan: "Once More on Russia-NATO Relations"]

[FBIS Translated Text] NATO Secretary General Javier Solana's recent statement, during an official visit to Norway, on the North Atlantic bloc's intention to deploy nuclear arms on the territory of the countries of Eastern Europe after they become fully-fledged NATO members, is going to dispel all of the Russian leadership's illusions about a possible compromise with this bloc with regard to its eastward expansion. Until recently, the Russian leadership maintained a principled stance on this matter and said no to any expansion of NATO in whatever form. However, in all likelihood, under pressure from Western partners, it caved in to their criticism as well as to accusations of Russian inflexibility and of a disinclination for compromise. Russian diplomacy of late decided, instead, to show flexibility and that inclination, and so modified its position somewhat on NATO expansion. Russia's new stance, aired by Foreign Minister Yevgeniy Primakov and President Yeltsin, boils down to the fact that should the countries of Eastern Europe become members of the North Atlantic bloc, it is necessary to agree that NATO's military infrastructure should not move closer to Russia's borders. Considering the fact that Western NATO-member countries spoke in no uncertain terms against granting Russia the right of veto with regard to the expansion of the alliance, one could have hardly expected them to accept Russia's new stance, where Russia would have the right to veto an expansion of NATO's military infrastructure.

I am quite clear on the motives of a Russian leadership that tries to show flexibility in Russia-NATO relations. However, the recent experience of our relations suggests one conclusion: any concessions by the Russian side strengthen the hand of our Western partners. Suffice it to recall the chronicle of our diplomatic moves with regard to NATO's Partnership for Peace program. Many of our diplomats and analysts categorically disagreed, early in 1994, with my criticism of this program, thinking that, if implemented, it would be an alternative to NATO expansion. Today, too, in a departure from the principled stance on the expansion of NATO, our search for compromises clearly weakens Russia's negotiating position. Our partners may become tempted to secure Russia's full agreement to its plans to expand this military organization. I hope that Javier Solana's statement will have a sobering effect on the Russian advocates of looking for compromises where there can obviously be no compromises.

I think the Russian Federation Foreign Ministry ought to revert to its recent principled position with regard to this question, and to once again unequivocally tell our Western partners that, whereas Russia does not have the right to veto the expansion of NATO, it is categorically against expansion. Given this approach, it would become clear, both to our neighbors who are eager to join NATO and to our Western partners, that in deciding on expansion they assume full responsibility for it. There is no need for Russia to either help them with this matter or to share their responsibility for such a decision. There is even less need for Russia to come forward with offers of compromise.

Compromise initiatives should come from our partners within the NATO bloc or from our neighbors who are so eager to become members of the North Atlantic alliance.

**Russia: Kokoshin Interviewed on NATO Expansion**

*MM1505132796 Moscow ROSSIYSKAYA GAZETA in Russian 15 May 96 p 7*

[Interview with Russian First Deputy Defense Minister A.A. Kokoshin by Vladimir Kuznechevskiy; date and place of interview not stated: "Andrey Kokoshin: "Is Every Peasant's Hut in Europe Under NATO's Shadow? That Is Not How It Will Be"]

[FBIS Translated Text] Andrey Kokoshin (born 26 October 1945, Moscow) is a specialist in the field of military policy and military-economic problems and international relations, a doctor of historical sciences (1982), a professor (1987), and a corresponding member of the Russian Academy of Sciences (1989). He graduated from the Moscow higher technical school named for Bauman (1969). Since 1972 he has worked in various posts in the USSR Academy of Sciences United States and Canada Institute including as chief of the military-political studies department and deputy director of the institute. He has been a member of a number of government commissions and scientific councils of the USSR Academy of Sciences for military-industrial and military-political problems. Since April 1992 he has been first deputy defense minister of the Russian Federation. He is chairman of the Russian Federation interdepartmental commission for defense security. He is state secretary of the Russian Federation Defense Ministry.

A.A. Kokoshin has published a considerable number of scientific works including 12 monographs over half of which have been translated into foreign languages.

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NATO expansion remains for Russia a central foreign policy problem. As a topic of discussion it has figured at almost all President Boris Yeltsin's recent international meetings. It was discussed intensively during his visit to China in April. The new Russian Federation foreign minister, Yevgeniy Primakov, devotes a large part of his working time and his working contacts to the topic. But it is not only for Russia that it is a priority subject. Last week in violation of previously given promises not to raise the problem until the end of this year, NATO Secretary General Javier Solana has stated that the NATO leadership intends not only to activate talks in the very near future on the admission of former Warsaw pact members — the Czech Republic, Hungary, and Poland — to NATO but also to deploy nuclear weapons on their territories when they become full NATO members.

In February 1996 an international conference was held in Munich on questions of security policy, which was in the nature of an informal meeting of high-ranking politicians and statesmen from the NATO countries and Poland and Hungary as possible candidates for admission to NATO and also of Russia.

The main issue at the conference was the discussion of prospects for NATO's expansion to the East. Reports were delivered by FRG Chancellor Helmut Kohl, U.S. Defense Secretary William Perry, NATO Secretary General Javier Solana, and others. Russia was represented by Andrey Kokoshin, state secretary and first deputy defense minister of the Russian Federation. The basic debate developed at the conference around the positions he voiced. The basic subjects of this exchange of opinions and the course of the debate itself are being discussed in the mass media of the United States and Western, Central, and Eastern Europe. Our correspondent met with Andrey Kokoshin and asked him to impart his views of the problem of NATO expansion.

[Kuznechevskiy] Andrey Afansyevich, I know that the Westerr mass media have given very full coverage to the course of the debate at the Munich meeting and primarily to some of the theses you voiced (which, unfortunately, cannot be said of our own mass media). What would you like to note to develop what you said at this conference and to what would you like to draw attention in the statements and conduct of its participants?

[Kokoshin] Yes, you know, they obviously expected I would criticize the very idea of NATO's expansion to the East or simply disagree with them. But I tried to present arguments that were as extensive as possible. On several occasions I had to speak and not only at the conference. A situation frequently arose when the auditorium was far from unanimous.

The assessment of the consequences for a future Europe of the radical step that is NATO's expansion to the East is very complex if it is possible at all. You must not forget that Western civilization is a phenomenon which although it lays claim to dominating today's cultural and economic life, is nonetheless not the definitive ruling form. The events of the early 21st century could be such that the civilization which has been constructed over the past centuries will prove far more fragile and vulnerable. That also applies to the system of international relations, whose history is considerably briefer. Considering this, the conference's participants repeatedly voiced the thought that the West cannot allow itself confrontation with Russia for the sake of the idea of NATO's expansion and that collaboration with Russia is essential for preserving and developing modern civilization.

The supporters of NATO's expansion overlook the civilization subtext to collaboration between what are called the Russian and Western worlds — after all, it is not only cultural mutual enrichment but also largely the mutual adaptation of civilizations — the Euro-Atlantic civilization and the Russian civilization. In our history we have already experienced something similar in the period of the reforms of Peter the Great in the late 17th century and the first half of the 18th century. After all at the time he almost literally carved a "window into Europe" and thus caused a kind of culture shock in Russians. And not just the Russians.

And now the replacement of systemic relations (inside and outside Russia) has taken place so rapidly that many people have been unable to assimilate these changes either mentally or emotionally. And this is followed by the idea of NATO's expansion. As a result very many Russians have seen this as a challenge and even a threat and a negative and painful reaction has arisen in response.

[Kuznechevskiy] Why do you think this idea of expansion nonetheless arose? After all they say that Western leaders promised Gorbachev and Shevardnadze not to move NATO borders to the East if the Warsaw Pact was dissolved....

[Kokoshin] Unfortunately those agreements went without saying but were of an informal nature. But to all appearances they were nonetheless reached and the violation of those commitments could thoroughly undermine trust in the West's policy in Russia.

I am sure that the actual idea of NATO's expansion is a product of the previous phase of world politics, of the

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situation when it seemed to many people in the West that a power vacuum had arisen in Europe. And many Western politicians, afraid that under the conditions of this vacuum forces capable of undermining European stability could be activated, tried to fill this apparent vacuum. A number of political leaders and parties in Central and Eastern Europe took a similar position.

[Kuznechevskiy] But do you believe that since the dissolution of the Warsaw Pact no power vacuum has arisen in Eastern and Central Europe?

[Kokoshin] Here it is rather a case not of the presence or absence of a vacuum but of the current sense of "strategic ownerlessness" as it is called among a section of the Central and Eastern European states' political elites. For several centuries, including during the period of the active establishment of the system of state-nations, the East European countries often lost their sovereignty and the national-psychological wounds have not yet healed. Within the framework of the Warsaw Pact Organization their sovereignty was also restricted in a number of ways but after all within the NATO framework something similar could happen to these countries. These countries will hardly have a full right to vote in the most important trade, financial and economic, and military policy issues.

[Kuznechevskiy] Nonetheless there would seem to be no reason to quarrel with NATO? We have joined the "Partnership for Peace" and gone to cooperate in Bosnia....

[Kokoshin] Of course dangerous confrontation with NATO is not in Russia's interests. On the contrary, it would be useful for us to expand and deepen cooperation with all NATO members — on a mutually advantageous and entirely equal basis. But plans for the expansion of the alliance itself leveled down the potential for cooperation. Here there are grounds for considering the talks on "compensation" to Russia for NATO's expansion to be counterproductive.

The destruction of the zone of neutral countries which has arisen in central Europe as a result of the collapse of the Warsaw Pact Organization could exacerbate the sense of vulnerability felt by many people in Russia with unpredictable political consequences taking into account the moods which already exist.

Many people in Russia — both specialists in international affairs and ordinary citizens — are forming the impression that the plans to expand NATO to the East were generated by the temptation of a certain number of politicians in the West to "get" their former cold war adversary.

[Kuznechevskiy] But perhaps the NATO leadership, as it sometimes says, is indeed merely giving in to pressure from the former Warsaw Pact members?

[Kokoshin] No, here the matter is perhaps more complex. Some leaders of our former Warsaw Pact allies do indeed want to join the community of the most developed states as rapidly as possible. But entry is very expensive and complicated. The standards for entry into the European "Common Market" are high. A number of Western politicians believe as a result that it is cheaper and simpler to admit these countries to NATO than to the EU. But those countries themselves must realize that entry to NATO does not open the path to an all-European market.

Moreover, we must also realize that NATO's spread across the European map gives no guarantee that the development of the Old World will not acquire a negative dynamic.

The maintenance of a system of political control over East Europe cost enormous material expenses and constant tension in the past for the Soviet Union since from time to time there were breaks in that system which could have destroyed it and given rise to a crisis in the USSR's foreign and domestic policy.

In this connection I once more drew the attention of the conference participants to the fact that NATO's expansion will lead to the disappearance of the situation which arose as a result of the collapse of the Warsaw Pact Organization. A whole series of Central and East European countries which at present do not belong to military-political blocs are by their status making a contribution to stability in Europe. This is the group of countries which today largely ensures Europe's unity.

The existence of the nonaligned neutral states in the very center of Europe, according to our repeatedly checked assessments, considerably reduces the offensive potential of the sides in the event of a hypothetical armed conflict. To this we should add the fact that NATO's advance to the East will deal a painful (and perhaps fatal) blow to many spheres of arms limitation and reduction.

[Kuznechevskiy] Yes, the situation as a whole could acquire a negative dynamic. But for Russia? And in general how do you see a way out of the situation which has taken shape?

[Kokoshin] It is natural to suppose that Russia's security will be harmed and its search for ways of safeguarding national security will thus be made more difficult. Yet there will be no winners.

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For all the reduction in the role of the military factor in Europe's political life and in the process which has begun of the reduction of military budgets and armed forces, the military machines created after World War II are still enormous. Quite intensive work is continuing on many new weapons systems. In that respect we still have many complaints against the United States and a number of its NATO allies. The transfer of the European states' military machines to new conditions for the development of defense potentials which are qualitatively different from the cold war period will require further huge efforts and in-depth political and military thinking work. A completely new mechanism of negotiations will be needed too since the Vienna talks were created to fit the old, rigid bloc structure, which no longer exists.

At the same time we must build up efforts to consolidate security and cooperation in Asia, not forgetting that geographically, politically, and economically Russia is a Eurasian state. It is possible that the study and skillful use of the experience of this model for mutual relations between states will help Russia in building its new system of national security more appropriate to the multifaceted and diverse system of international relations.

The West must realize that it should not push Russia toward revenge for defeat in the cold war. And many politicians in the West European countries and the United States are apparently beginning to have an increasingly good understanding of the pernicious nature of the idea of NATO's expansion to the East. I venture to assure you that there are far more opponents of NATO's expansion to the East in the United States and West Europe than is usually believed although many of them have different motives from ours, of course. Far from everything looks the same in the countries of Central and Eastern Europe.

It is obvious that the construction of a system of security in Europe should be effected on the broader foundation of the ideas of democracy, economic prosperity, and the safeguarding of peace and social progress common to all European states.

It is essential to stress that the formation of this system should not be seen as an attempt to rally some countries or regions against others but presupposes the development of transregional cooperation, including in the interests of the security of other regions and states, particularly in Asia.

[Kuznechevskiy] Andrey Afansyevich, you are called the author of the concept of "constructive partnership" in the Russia-China-India triangle. How realistic does it seem to you to set up cooperation between these three giants? What could you say on the subject?

[Kokoshin] Setting up such positive collaboration between the three countries is an objective requirement of the present day meeting the national security requirements of Russia, India, and China and international relations as a whole. We should not exaggerate the potential of this partnership but I would warn against belittling the opportunities which exist here.

**Russia: Butrus-Ghali Says UN Problem 'Political'**

*MM1505150896 Moscow RABOCHAYA TRIBUNA in Russian 14 May 96 pp 1,3*

[Report by Yevgeniy Rusakov under the "Authoritative Opinion" rubric: "Solidarity Needed As Well as Competition. Otherwise Many Regions of the World Will End Up as Economic Backwaters, as the UN Secretary General Told Our Newspaper's Correspondent"]

[FBIS Translated Text] New York — "The United Nations needs a strong Russia," the UN secretary general stated in conversation with Russian journalists prior to his visit to Moscow a year ago. On the eve of the latest visit to the Russian capital, Butrus Butrus-Ghali's tone suggests that his hopes are being realized. Some very intensive talks are in prospect. A broad range of problems will be broached dealing not only with cooperation between the United Nations and Moscow in peace-keeping operations in Tajikistan and Georgia but in the solution of conflicts both in Europe and Asia and throughout the world.

Butrus-Ghali's appeal to the CIS heads of states summit to strengthen friendship with the United Nations will lend his visit a diplomatic flavor. Contacts between the United Nations and the CIS already exist. But this time the CIS' status will be given the UN "seal of approval." Butrus-Ghali is prepared to raise ties with the CIS to the level of such respected regional groupings as the OAS, the OAU, and even NATO.

He expressed disagreement with the current accusations of "imperial designs" leveled at Moscow over its participation in peacemaking operations on CIS territory.

"Let us take a practical approach to this problem," the UN secretary general said. "There are such multifaceted ties between Russia and the former Soviet republics that if a conflict breaks out we cannot resolve it without Russia's support."

In Moscow Butrus-Ghali intends discussing the challenges that face mankind in the future and the vision of the new UN role in the 21st century.

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It is a little over six months since a spectacle unprecedented in human history was held, involving 150 heads of state and government. At the ceremonies to mark the UN 50th anniversary quite a lot was said about the UN world role and the need to reform it. At the center of the celebrations was a short thin man looking with a philosophically skeptical gaze from behind lightly tinted spectacles.

"Only an 'oddball' like me can work at the UN Secretariat," Butrus-Ghali said. At almost every meeting with leaders he feels the need to produce a piece of paper with figures showing the "shortfall" in the UN budget. Have its financial affairs improved over the past six months?

"We have not overcome the financial crisis, of course," the UN secretary general said in reply to my question. "The first thing that I want to do in Moscow is to express thanks for the help that Russia has given despite its own difficulties. Such help shows the great significance that your country attaches to the United Nations. The United Nations is experiencing a political crisis rather than a financial crisis — after all, the UN budget is equivalent to U.S. military spending for two days! The question is political. I am the first to admit that reforms and a reduction of the apparatus are needed. We are doing this."

[Rusakov] You stress the importance of the search for a reasonable balance in UN activity in peacekeeping and in the solution of economic and social problems. At the same time the United Nations is often criticized for spending on high-profile conferences....

[Butrus-Ghali] I recently returned from Johannesburg from a meeting of representatives of the World Trade Organization and UNCTAD. They agreed on cooperation and the division of spheres of influence. Holding such a conference costs less than the price of one tank. But each meeting of this kind raises the world community's level of understanding of vital problems.

We are trying to find new approaches to economic development. In market conditions everything is based on competition. But we must develop the concept of solidarity. Otherwise whole regions will find themselves marginalized.

There is a false belief that the United Nations is only engaged in peacemaking. In fact 80 percent of our efforts are aimed at resolving socioeconomic tasks.

[Rusakov] So has the euphoria over the UN peacemaking operations passed?

[Butrus-Ghali] No. It all hinges on finance. As soon as I receive the money the question of the active use of the "blue helmets" will be resolved. They are playing an important role in ensuring a peaceful settlement in Angola. We helped to overcome long-running conflicts in El Salvador, Mozambique, and other countries.

But I agree that UN soldiers cannot be sent for peace enforcement operations, for war. The United Nations does not have the money, the rear services support, the arms, or the intelligence support. That is why a coalition of states or regional organizations must be given a mandate to conduct large-scale operations.

...Both the United Nations and the CIS have many problems. Will the new friendship help them?

**Russia: UN Secretary General Meets Duma Chairman Seleznev**

*LD1505174396 Moscow INTERFAX in English 1610 GMT 15 May 96*

[FBIS Transcribed Text] MOSCOW, May 15 (Interfax) — U.N. Secretary-General Butrus Butrus-Ghali met with Russian State Duma Chairman Gennadiy Seleznev in Moscow on Wednesday, the press service of the Russian parliament's lower chamber told Interfax.

Russia supports the United Nations' efforts to preserve peace, Seleznev said. He said he regretted that "the end of the 20th century was marked by a re-drawing of state borders that is not always peaceful."

Russia is sending its peacekeepers to trouble spots despite the shortfall in budget funds, Seleznev said.

Seleznev also drew the attention of the U.N. secretary-general to discrimination against Russian-speakers in Estonia and Latvia. "An especially alarming situation is being witnessed in Estonia, where Russians account for more than 30 percent of the population," he said.

Butrus-Ghali said that the United Nations considered Russia's participation in this organization as very important. Russia is a great power playing an important part on the international arena and acting as a guarantor for the maintenance of democracy in the world, he said.

**Russia: Butrus-Ghali Encourages Leading World Role for Moscow**

*LD1505195396 Moscow ITAR-TASS in English 1859 GMT 15 May 96*

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, May 15 (Itar-Tass) - U.N. Secretary-General Butrus Butrus-Ghali, who is currently on an official visit to Moscow, addressed deputies of the Russian State Duma, urging them to make all efforts so that Russia "continued to play a

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leading role in forming a better world for all peoples in the future century."

In his speech before Russian deputies he stressed that today parliamentarians had turned into independent officials in international relations and the United Nations welcomed this new phenomenon, which instilled hopes.

When parliamentarians in the entire world set up U.N. committees, when they act as delegates in U.N. institutions and when they meet in the United Nations as a "world group", the aim of democratisation of the international system is implemented, Butrus-Ghali stressed.

He also dwelt on the present financial crisis experienced by the United Nations. The total indebtedness of member states of the Organisation to the budget for maintaining peace and to the regular U.N. budget amounts to 2.9 billion U.S. dollars, and only 55 states out of 185 U.N. members paid their dues to the regular budget for 1996, he informed.

In this connection Butrus-Ghali stressed that Russians should be proud of the fact that they had fulfilled all their obligations concerning payments to the U.N. regular budget.

Russia, he noted, not only was but still is one of the main members of the United Nations, but the role of Russia will be decisive in finding new approaches in international relations based on the U.N. Charter.

"Russia's thoughts and actions will become more and more necessary closer to the XXI century," Butrus-Ghali stated.

**Russia: Butrus-Ghali Moscow Trip Launches 'Election Campaign'**

*MM1505162596 Moscow IZVESTIYA in Russian 15 May 96 p 3*

[Report by Maksim Yusin: "Election Campaign of UN Secretary General Starts in Moscow"]

[FBIS Translated Text] UN Secretary General Butrus Butrus-Ghali flew into Moscow 14 May. This is already his fourth trip to the Russian capital during his tenure as head of the United Nations. But there is an ulterior motive for the current visit.

In no more than two months' time Butrus-Ghali must finally decide whether he will declare his candidacy for a new term. Although the 73-year-old Egyptian has not yet definitely agreed to stand, there are few who doubt his determination to fight for reelection. Thus Moscow is an ideal place to start his election campaign.

Butrus-Ghali's official program begins on Wednesday. Meetings are planned on this day with Foreign Minister Yevgeniy Primakov and State Duma Chairman Gennadiy Seleznev. Talks with Boris Yeltsin, Federation Council Chairman Yegor Stroyev, and Prime Minister Viktor Chernomyrdin are planned for 16 May. Finally, Butrus-Ghali will take part in a session of the heads the CIS member states on Friday at which he will deliver a 20-minute speech.

The general secretary's cultural program will include a visit to the Bolshoy and the "Trojan Gold" exhibition at the Pushkin Museum.

**Russia: Primakov Mideast Role Said To Irk U.S.**

*MM1505111096 Moscow KOMSOMOLSKAYA PRAVDA in Russian 15 May 96 p 5*

[Article by Yelena Ovcharenko: "Russia-United States: Two Aces of Trumps in the Near East Pack"]

[FBIS Translated Text] The familiar joke about an ordinary citizen of ours being "worried about Honduras" contains, apart from cheerful mischievousness, some grounds for nostalgic sadness. After all, there was a time when it was not only professional diplomats who worried about the Latin American cockroach! We used to know, follow, and discuss what was being done, where, and why. And what our interest in it was.

But "open day" was declared in Russia, and that "what, where, and why" rapidly boiled down to the simplest formula for survival, "where and how much." The "people's diplomacy" which was the lot of a very limited circle of fortunate party members was a bad thing. But the "shuttle diplomacy" which turned some Russians into traveling salesmen is not much better, strictly speaking, for a country where citizens' feelings in the foreign policy sphere now boil down increasingly to differentiation in terms of income. While the "new Russians" are buying houses on the outskirts of Barcelona, the middle strata are studying geography according to the itineraries offered by tour agencies, and the small-scale traders feel the pleasant burden of bales of consumer goods brought into Russia from all the cheap bazaars of the world.

Amid all these cares we did not have time to discern, or rather guess at, the meaning of an event that could become the jumping-off point that Russian diplomacy so badly needs now.

Far from Moscow, between Israel and Lebanon, they have stopped firing Katyushas and started talking about a cease-fire accord between the Hizballah organization and the Israelis. Following the Americans, Russian journalists also reported the success of the peace mission of

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U.S. Secretary of State Warren Christopher, who came, saw, and reconciled.... The journalists, remembering that back in the days of Minister Kozyrev our country was nominally appointed a "cosponsor" of the settlement in that region, lamented: Russian Foreign Ministry chief Primakov went there too, but it was the Americans who reached agreement with the conflicting parties, and we are once again standing in the shadows....

That conclusion also suggested itself because although Mr. Christopher did not himself boast about the results of the mission, nor did he lavish gratitude on his fellow ministers who went to the Near East. So the olive branch of peace was handed trustfully, with no great hesitation, to him — until the next conflict between Hizballah and the Israelis.

What actually happened in the "hot spot" and who persuaded whom remains to be guessed by comparing the record of events of Primakov's and Christopher's travels to Lebanon, Syria, and Israel.

It is well known that the Russian minister was given instructions to fly there during the "nuclear forum" that had opened in Moscow. He was sent on his way by, among others, U.S. President Bill Clinton, who expressed the view that Yevgeniy Primakov's arrival in the region would undoubtedly be a positive factor. But here is the interesting thing: Although the heads of the Russian and U.S. foreign policy departments were sometimes only 15 minutes' journey apart, they did not have a working meeting. Does that mean that they successfully coordinated their actions by telephone? Or did the U.S. secretary of state, scorning the presidential agreement on pooling the efforts of the leaders of the two countries' foreign ministries, thereby make it clear at working level that his Russian colleague's appearance was extremely undesirable to him?

It is known that, while maintaining excellent relations with Israel, the United States both publicly and in practice has always abstained from contacts with organizations and regimes that have expressed disagreement with Israel's special role in the region. Yet talks needed to be held with precisely these "odious" — in American terminology — parties, to which Russia, and also France, had and still have access. In that case, in summing up the results of Christopher's mission, whom are we to believe — the U.S. secretary of state, who accepted the congratulations without demur, or the concrete facts? For instance, the chronology of those days attests that the Syrian president met not only with the U.S. secretary of state, but twice with Primakov, which cannot be explained as a mere formality. And the Iranian foreign minister, whose influence on the Hizballah organization is unlimited, asserted, in response to journalists' questions, that Russia's role in the matter of the cease-fire and the settlement of the situation can in general hardly be overstated. "The talks were conducted through intermediaries, but in effect America had to deal with an individual Islamic political organization, giving due credit for its strength," the Iranian stated. That is absolutely in accordance with the concept of the two diametrically opposed approaches that were spoken of above and that are adhered to by America and Russia in the region.

Israel's position is less interesting and can do nothing to cast light on the quest for an answer to the question of whether Moscow's contribution was decisive in this specific situation. Rigid alliance and financial relations with the United States oblige Israel to follow in the Americans' footsteps without reservation.

Finally, the story that has crept into the press that Russia failed in the Near East and that Primakov's visit amounted to nothing but pacing up and down outside the doors behind which the talks were in progress, has another explanation. Because Warren Christopher can hardly be blamed if he is less than delighted about our country's return to a region which, in nearly five years as secretary of state and with Kozyrev's tacit consent, he has regarded as entirely under the U.S. "protectorate." The alienation which has persisted all that time in relations between Russia and a whole series of countries that have historically and in practice gravitated toward it, has enabled Christopher to hope that their region has already become fully and irreversibly a part of the sphere of America's national interests.

Diplomats who know the secretary of state assert: Warren Christopher is not a classical representative of the [diplomatic] profession, but rather a "strong man" who commands, rather than trying to find mutually acceptable compromises. Thus, in April too he arrived in the Near East with a ready-made plan — with the difference that on that occasion the countries in the region that are not bound to the United States by contacts and dependence were in no hurry to sign the document he brought. And there is more: It is said of the U.S. secretary of state that usually, having set forth his own view of the problem, Warren Christopher emphatically declines to take the trouble of listening to what his interlocutor says to him. For instance, on learning that Italian Foreign Minister Susanna Agnelli, 74, had arrived in the Near East, representing the EU, the American stated unceremoniously: What brings her here?

Naturally, the appearance of Minister Primakov, so different from the slippery Kozyrev, provoked even more unkind feelings in the American diplomat. Hence

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the story of his Russian colleague's "failure," which Washington did not attempt to refute.

It would be premature to applaud the successful return of Russian diplomacy to the Near East. The conflict in that area is far from spent, so both the strength and the weakness of the Russian and U.S. positions will inevitably be displayed here again. However, those of us who are still "worried about Honduras" will be interested to know that certain corners of the world have been missing Russia very much. For a long time now, and seriously.

...True, I don't know whether Minister Primakov's American colleague called him and said something like this: "Yevgeniy? Chris here. We did a pretty good job of pacifying those guys. Thanks for the help!"

Hardly. What if Minister Primakov was to be deeply touched, and start making frequent trips to somewhere where even Kozyrev was a hindrance to the Americans?

**Russia: Deputy Premier Reports U.S. Allocation for Plutonium Store**

*LD1505113696 Moscow ITAR-TASS World Service in Russian 0511 GMT 15 May 96*

[ITAR-TASS correspondents Oleg Velichko, Yevgeniy Tkachenko]

[FBIS Translated Text] Ozersk (Chelyabinsk Region), 15 May — The United States is proposing to allocate $25 million to build long-term storage for weapons-grade plutonium released during nuclear use at the Mayak production association. Oleg Soskovets, the first deputy chairman of the Russian Government, who is in Chelyabinsk Region on a working visit, stated this today. The Russian cabinet of ministers is proposing to allocate 22 billion rubles from the federal budget for this purpose.

Russia's Ministry of Atomic Energy and the United States Defense Department signed an agreement on construction of the special storage facility. The total cost of the project is estimated to be $300 million. Russia and the United States have agreed to allocate $150 million each for this purpose. Three million dollars worth of aid has already been rendered by the American side for design work.

**Russia: Grachev Asks For Change in Date of Nordic Summit**

*LD1505144596 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1230 GMT 15 May 96*

[FBIS Translated Text] "Russian Defense Minister Pavel Grachev has sent a letter to the Norwegian defense minister, in which he asked him to change the date of the meeting — probably to the second half of June 1996," Yelena Agapova, public relations assistant to the Russian Defense Minister, said in an interview to Ekho Moskvy.

In the letter, Agapova said, "Grachev repeated his thanks for the invitation to take part in the next meeting of defense ministers of the Nordic countries but wrote that he would be unable to attend owing to changes in his work schedule, because he now has a large number of trips and meetings planned."

"This is a normal aspect of work, and there can be no hint of any underlying causes," Agapova stressed. "There are no grounds for assuming that this is due to any uncertainties or other circumstances."

**Russia: Moscow Ratifies Integration Treaties With CIS States**

*LD1505124996 Moscow ITAR-TASS in English 1102 GMT 15 May 96*

[By Lyudmila Yermakova]

[FBIS Transcribed Text] MOSCOW May 15 (Itar-Tass) - The upper house of the Russian parliament unanimously ratified on Wednesday two treaties signed by Moscow on integration with former Soviet republics.

The first document concerns "deep integration" between Russia, Belarus, Kazakhstan and Kyrgyzstan and envisages in future "a community of integrated countries" which preserve their sovereignty and equality, inviolability of frontiers and non-interference into internal affairs of each other.

The second document envisages a "deeply integrated political and economic community" between Russia and Belarus.

**Russia: Azerbaijani Official: Russian 'Secret Agenda' on Mutalibov**

*MM1505155496 Moscow KOMSOMOLSKAYA PRAVDA in Russian 14 May 96 p 1*

[Report by Svetlana Turyalay: "Mutalibov Released From Detention Center. For the Moment?"]

[FBIS Translated Text] The Russian general prosecutor has refused to meet the Azerbaijani authorities' request for the extradition of the republic's former president, Ayaz Mutalibov, stating that there is no persuasive evidence of his involvement in the theft of weapons and creation of armed formations." [no opening quotemarks as published] This came as a nasty surprise to the Azerbaijani side. Azerbaijani General Prosecutor Eldar

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Gasanov, currently in Moscow, had told your KOMSOMOLSKAYA PRAVDA correspondent the day before that he had supplied all the proof the Azerbaijani side had of Mutalibov's responsibility for organizing several attempted coups d'etat and other serious crimes. Eldar Gasanov noted that during the negotiations on the possible handover of Mutalibov to the Azerbaijani authorities Russia had not laid down any political conditions, such as the stationing of Russian border guards on the Azerbaijani-Iranian border, the status of the Caspian, and so on. But this was clearly its secret agenda.

Meanwhile Ayaz Mutalibov, who had been arrested earlier, was released from temporary custody. But the question of his extradition could arise again.

**Russia: Yeltsin Oversees Signing of Georgian-Ossetian Peace Deal**

*LD1605091096 Moscow ITAR-TASS World Service in Russian 0826 GMT 16 May 96*

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 16 May (ITAR-TASS) — The memorandum "On measures to ensure security and strengthen mutual trust between the sides in the Georgian-Ossetian conflict" was signed today in the Kremlin after the conclusion of talks between Boris Yeltsin, president of the Russian Federation; Georgian President Eduard Shevardnadze; Akhsarbek Galazov, president of the Republic of North Ossetia-Alania; and Ludvig Chibirov, chairman of the Supreme Council of the Republic of South Ossetia .

In accordance with the memorandum, the sides renounce the use of political, economic, and other forms of pressure in their relations.

After the signing ceremony Boris Yeltsin, who attended it, described today's development as "historic."

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## Political Issues

### Russia: Yeltsin Considers Abolishing Ruble Exchange Band

*LD1605055996 Moscow ITAR-TASS in English 0511 GMT 16 May 96*

[FBIS Transcribed Text] MOSCOW May 16 (Itar-Tass) — President Boris Yeltsin met Central Bank chief Sergey Dubinin, first deputy premier Vladimir Kadannikov and economic aide Aleksandr Livshits on Thursday morning to consider abolishing the rouble exchange band ahead of schedule.

A Kremlin source told Tass that the meeting "discussed the economic situation in the country and the future of the currency band".

Livshits and Dubinin will hold a press conference on the results of the meeting on Thursday morning.

On Wednesday Kadannikov told Tass that Russia may quit the rouble exchange band earlier than scheduled and switch to the so-called "inclined" rate.

The rouble band which would not allow the Russian currency to fall behind 5,150 for a U.S. dollar is valid up to the end of June.

"I hope we shall do that earlier than July 1", Kadannikov said, but refused to disclose when the exchange band can be dropped.

The rouble closed at 4,970 per U.S. dollar on Wednesday.

Kadannikov said that the so-called "inclined" rate is to link the cost of the Russian currency to gold reserves, the Gross Domestic Product and mostly to inflation rate.

The "Financial Izvestiya" newspaper believes the "inclined" rate will make the Russian market more predictable and will promote world-wide convertibility of the national currency.

It said on Tuesday that the Central Bank would forecast the rouble rate for the end of the year which will allow to design the average rouble rate for each day of the second half of the year. Small fluctuations will be strictly limited.

The rouble rate will be slightly behind inflation and will thus continue to curb inflation, according to the newspaper.

"It can be stated in any case that the replacement of the rouble corridor by the sliding link of the rouble to the dollar means a switch from hard currency regulation with a hammer, when inflation is hammered down, to more refined instruments". It said.

### Russia: New Ruble Exchange Mechanism Viewed

*LD1605074196 Moscow ITAR-TASS in English 0700 GMT 16 May 96*

[FBIS Transcribed Text] MOSCOW May 16 (Itar-Tass) — Russia decided to replace the rouble exchange corridor with an "inclined" rate as from July 1 and to work for a world-wide convertibility of the national currency.

President Boris Yeltsin signed a decree on Thursday approving the joining of article 8 of the Charter of the International Monetary Fund on currency convertibility in current transactions.

"This will allow to considerably liberalise the currency regime and investment attractiveness in Russia", economic aide of the Russian president Aleksandr Livshits told a press conference on Thursday.

He said Yeltsin had also decreed to introduce a "new mechanism of regulating the rouble exchange rate" after the exchange corridor expires on June 30.

It will be replaced by the so-called "inclined" or "sliding" rate which is to link the cost of the Russian currency to gold reserves, the Gross Domestic Product and mostly to inflation rate.

Livshits said the fluctuation limits on July 1 will be 5,000-5,600 per U.S. dollar, while on December 31, 1996 the fluctuation band will be 5,500-6,100 per greenback.

"It is time to refrain from the 'corridor' terminology. Now it is more correct to call the currency exchange corridor simply as the sliding exchange rate", Livshits said.

Yeltsin passed the decision on the new way of regulating the rouble exchange rate after meeting Livshits, first deputy premier Vladimir Kadannikov and Central Bank chief Sergey Dubinin on Thursday morning.

Kadannikov told Tass on Wednesday that the government planned to drop the rouble corridor earlier than the expiration date on July 1.

"I hope we shall do that earlier than July 1", he said.

However, Yeltsin did not agree.

The rouble corridor would not allow the Russian currency to fall behind 5,150 for a U.S. dollar up to the end of June.

The rouble closed at 4,970 per U.S. dollar on Wednesday.

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The "Financial Izvestiya" newspaper believes the "inclined" rate will make the Russian market more predictable and will promote world-wide convertibility of the national currency.

It said on Tuesday that the Central Bank would forecast the rouble rate for the end of the year which will allow to design the average rouble rate for each day of the second half of the year. Fluctuations will be strictly limited.

The rouble rate will be slightly behind inflation and will thus continue to curb price growth, according to the newspaper.

"It can be stated in any case that the replacement of the rouble corridor by the sliding link of the rouble to the dollar means a switch from hard currency regulation with a hammer, when inflation is hammered down, to more refined instruments", It said.

**Russia: Chernomyrdin Makes 'Favorable Impression' on Industrialists**

*MM1505160496 Moscow IZVESTIYA in Russian 15 May 96 p 2*

[Report by Aleksandr Anichkin: "Viktor Chernomyrdin Promises To End Tax Muddle and Introduce Concessions for Leading Businesses"]

[FBIS Translated Text] It came as a complete surprise that the main hero of the seventh congress of the Russian Union of Entrepreneurs and Industrialists [RSPP] on 14 May in Moscow was Zbigniew Brzezinski.

First, RSPP President Arkadiy Volskiy cited the recent wide-ranging statement of this already half-forgotten anti-Soviet figure which boiled down to the view that Russia is now no longer either a world power or even a developed country. The leader of the principal organization for Russian industrialists said that it went against the grain for him even to comment on such statements. But in the context of his own report, which was written in a spirit deeply critical of the Russian authorities' current policies, this quotation from the American sovietologist proved in some way to back up the arguments of Volskiy himself.

This rhetorical tactlessness did not escape the attention of Prime Minister Viktor Chernomyrdin. The head of government stated in his speech at the congress that Russia had enough "Brzezinskis" of its own — figures who only criticized the mistakes made in the course of the reforms and prophesied a further deterioration of the situation in the country. Behind the scenes at the congress the industrialists suggested that the premier make a semi-official conciliatory statement. Contrary to expectation, Viktor Chernomyrdin gave a combative and unusually explicit outline for this type of forum of the measures the government is using to support industry.

He set out in most detail measures to end the crazy tax muddle. The government head reported that from next year fixed taxes and tax payments during the whole of the financial year would be made a principle of state policy.

As Viktor Chernomyrdin reported, the government envisages the introduction of an extensive system of tax concessions and reductions for the most efficient enterprises and companies. As we understood from the premier's speech, enterprises which are not indebted to the budget and make tax and other payments on time will be the first to receive special treatment. The government is also producing criteria for efficient economic management, that is a set of officially sanctioned requirements whose implementation will give enterprises the right to a reduced tax burden.

If, in his words, an enterprise does not have a debt in respect of tax payments to the budget, advance payments will be abolished for it. This enterprise will send its taxes in a lump sum, but not less than once a month. The system of depreciation for the country's industrial enterprises will be reviewed. Corresponding documents on taxation are in preparation.

Aside from this, the premier reported that certain taxes, in particular the so-called targeted taxes, will be reduced to a minimum or abolished completely. Road users' tax and housing tax, transport tax, tax on securities transactions, and a number of others will be abolished.

The prime minister also touched on the problem of unpaid wages. He reminded us that the majority of arrears are concentrated in a relatively small number of enterprises, around 500, and that 70 percent of the sum is owed by 70 enterprises. Viktor Chernomyrdin stated that the government will not take punitive measures but will seriously and promptly set about ascertaining the process by which arrears accumulate.

Chernomyrdin's speech was written in the same patriotic tone as Volskiy's report. The dynamism of the premier's language and his optimistic confidence in the Russian economy's imminent recovery created a favorable impression on the audience.

Turning to the directors and entrepreneurs' organizations, Chernomyrdin called for dialogue with the authorities and for joint work to overcome the mistakes that are, as the premier admitted, unavoidable during market reforms. As he said, the stage of initial market reforms has ended; now it is a matter of improving those market mechanisms which we have created and are suffering from.

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The RSPP congress adopted no political statements, and there was no mention in Volskiy's report of support for Yeltsin in the presidential election, although it is known that the industrialists' union leader has not changed his viewpoint. It was understandable that the union leadership deliberately avoided discussion of the pre-election situation, given the greatly conflicting moods among the directors.

**Russia: Duma Budget Debate, Chernomyrdin Absence Viewed**

*MM1505152396 Moscow IZVESTIYA in Russian 16 May 96 p 2*

[Report by Stepan Kiselev: "Budget Issue. Parliament Dissatisfied With Government, Cabinet Promises To Mend Its Ways"]

[FBIS Translated Text] At their session on Wednesday State Duma deputies were expecting Victor Chernomyrdin to present a report on the government's work to implement the federal budget in the first quarter of the current year. The prime minister sent Vladimir Kadannikov to the State Duma instead.

The official version of this strange maneuver is as follows: The previous evening the president had tasked the prime minister with something so important and urgent that Chernomyrdin was unable to appear before the deputies. The unofficial version, favored by many deputies, has a much simpler explanation for everything: Any boss shows up in person to receive plaudits but sends his deputies to "take the flak." And it was clear even the day before that a warm reception was not to be expected in the State Duma. The State Duma Budget Committee had recommended by a majority vote that the government's endeavors to implement the budget be deemed unsatisfactory.

In his speech to parliamentarians Vice Premier V. Kadannikov stuck to the Russian Federation Finance Ministry story distributed by that department's press service: The federal budget deficit of 20.8 trillion rubles [R] is explained first and foremost by the bad laws adopted by the State Duma. And in general everything relating to the report on the implementation of the 1996 budget sounded somehow limp and unconvincing from Kadannikov's lips. "History will yet call us to account for errors and inconsistency," the vice premier noted in the way of self-criticism. He was much more forthcoming and specific in the part of his speech discussing the future: "The 1997 budget will be based on a fundamental breakthrough in collecting tax payments," Kadannikov said, spelling out in detail the government's vision of its future activity.

The government's toughest critics, as was to be expected, were "Yabloko" faction deputies, who have long been consistent critics of the cabinet's budget policy. In his speech Budget Committee Chairman Mikhail Zadornov noted that there has not been such a grave situation since 1994: The revenue side of the budget has been implemented by 62 percent while the ecline in production has remained at the forecast level.

Deputy Oksana Dmitriyeva (also from the "Yabloko" faction) sees the main reason for this situation as being the complete lawlessness in spending budget resources.

These assessments acquire special significance if you consider that a second meeting between faction leader Gregory Yavlinskiy and Russian Federation President Boris Yeltsin is expected to take place in the next few days.

But on the whole State Duma deputies reacted very diffidently to Kadannikov's speech. And if the president had any idea of removing the prime minister from the line of fire, it has to be said that he succeeded. Deputies spoke toughly but without hysteria.

In the end the State Duma agreed with the Budget Committee's proposal and deemed the government's work in this area unsatisfactory. V. Kadannikov stated that the government will draw the necessary conclusions.

**Russia: Interior Minister Kulikov Holds Press Conference**

*MM1605095596 Moscow IZVESTIYA in Russian 16 May 96 p 1*

[Report by Aleksandr Dzyublo: "Internal Affairs Minister Anatoliy Kulikov Said at 15 May Press Conference: 'I Am Worried That Population Does Not Trust Police"]

[FBIS Translated Text] The phrase "my police guards me" is still a long way from the truth. That conclusion can be drawn from the self-critical statement by A. Kulikov, head of the country's MVD [Internal Affairs Ministry], at a meeting with Russian and foreign journalists 15 May at the RIA NOVOSTI agency. The minister admitted that as a professional he undoubtedly regards as important the criterion of the detection level of law violations which has risen 13 percent over the first four months of this year (more than in Sweden). But it is no less important to A. Kulikov as a citizen that his fellow countrymen are skeptical about the safeguarding of their own security by the general's department.

**On Yeltsin's Trip to Chechnya**

Anatoliy Kulikov continues to insist on the bad timing of the trip to Chechnya in the next few days by President

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Boris Yeltsin, stating that this trip at the moment is not only dangerous but also in all likelihood politically inexpedient. Shamil Basayev's recent public statement addressed to the Russian leader was assessed by A. Kulikov as a direct threat to the state's top official.

**On "Own Security" Service**

An "own security" service has been created in the MVD system. Without going into details about its working methods the minister cited figures characterizing the effectiveness of this step: In January nine employees of the internal affairs organs were arrested for taking bribes and were brought to book while in February the figure was 24 and in March 31.

**On Corruption in Top Echelons of Power**

On 12 May criminal proceedings were instituted against a deputy minister for taking part in the concealing of revenue from taxation. The suspect is charged with taking bribes of $0.5 million. And this is not the only deputy minister to have been taken to task for official law violation, Kulikov added, refusing to give specific departments and names.

**On State Duma**

Changes and additions to legislation on banks and banking have literally paralyzed the work of the MVD organs. Now materials on a "suspect" bank can be obtained only after criminal proceedings have been instituted yet you cannot institute proceedings without a basis of proof. The circle is closed. The minister ascribed these lawmaking "imperfections" to the fact that the Duma was formed to a considerable extent with the participation of representatives of the criminal sphere.

**On Gantamirov's Arrest**

Beslan Gantamirov, vice president of the Chechnya Government, was arrested in early May in Moscow, A. Kulikov said, and is charged with embezzling 33.5 billion rubles earmarked to restore the social and economic sphere. (Previously that sum was approximately five times less). About 10 banks are involved in the case and in the interests of the investigation their names are not being revealed. In the past few days a further four of his accomplices have been arrested in Groznyy. It is a case of the elementary struggle against economic crime.

## Russia: LDPR Dissident Interviewed on Party's Mafia Ties

*BR1505142596 Amsterdam DE VOLKSKRANT in Dutch 14 May 96 pp 1, 5*

[Report on interview with Aleksandr Vengerovskiy, "until recently Zhirinovskiy's right-hand man," by Bert Lanting in Moscow; date not given: "Zhirinovskiy's Party Is in the Hands of Criminals — Leader's Right-Hand Man Survived Attack"]

[FBIS Translated Text] Moscow — Zhirinovskiy's party has fallen into the hands of criminals who are not even afraid of taking out political rivals, Aleksandr Vengerovskiy says, until recently Zhirinovskiy's right-hand man. In early February Vengerovskiy just survived a murder attempt.

He is convinced that it was set up by people from Zhirinovskiy's LDPR [Liberal Democratic Party of Russia]. Vengerovskiy was shot near his flat in Moscow as he let his dog out one evening. However, the attacker did not succeed in finishing his job because his pistol jammed.

Two stocky police officers in civilian clothes now keep watch outside the door of the room in the Moscow Central Clinical Hospital where Vengerovskiy now lies. Anyone who enters is searched. "Who can give me the guarantee that they will not try again?" Vengerovskiy says, whose right knee was shattered in the attack by a bullet.

He does not have any direct proof, but he is convinced that it was a case of a killer hired by people from the LDPR. "Just the way they reacted to the news of the attack was very strange. They said it was probably an attack on my little dog. Then you should have heard them when LDPR MP Skorotsjkin was killed. Then they spoke of an attack on democracy and demanded the resignation of the interior minister. And that while everyone knew that Skorotsjkin had links with the mafia," Vengerovskiy continues.

According to him the motive for the attack was that recently he has been busy setting up his own moderately nationalistic movement. It is Vengerovskiy's intention that it will eventually grow into a "real liberal-democratic party."

**No One Is Safe From Zhirinovskiy**

For a long time Vengerovskiy was the second man in the LDPR. With Zhirinovskiy's blessing, whom he jokingly calls "the Fuhrer," he even became deputy speaker of Parliament. But now he wants nothing more to do with the ultra-right leader, who hopes to become president of Russia in the June elections.

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"If Zhirinovskiy ends up in the Kremlin, then I will not have another peaceful night's sleep," he states. "Then no one would be safe any more."

"Zhirinovskiy is a dangerous figure. He is a demagogue, a completely dishonest person. If he comes to power then he will immediately lock up all his political opponents, if it does not go any further," Vengerovskiy predicts.

Nor are Zhirinovskiy's aides sure of their lives any longer. "Hitler always maintained his royal household," Vengerovskiy states. "He only took out Rohm, but the rest of his aides remained until the end. But Zhirinovskiy trusts no one. He constantly gets rid of his nearest aides."

Vengerovskiy says there was a "policy of terror" within the LDPR. "All the people who think normally are worked out of the party one by one. Zhirinovskiy draws up the list of candidates for Parliament himself and also selects the representatives for the party congresses. In this way he keeps the party under control."

For votes in Parliament Zhirinovskiy decides how the LDPR MPs are to vote. Anyone who deviates from Zhirinovskiy's advice on voting will run into big problems.

According to Vengerovskiy, Zhirinovskiy is trying to strengthen his grip on the parliamentary party by working in Parliament for the principle of an "imperative mandate." This entails that MPs are no longer answerable to their voters in the first place, but to the party.

The party can then decide to expel a "disobedient" MP from Parliament and give his seat to another party representative.

**Zhirinovskiy Is Running a Policy of Terror**

For Vengerovskiy that would be a dangerous development; Then he would lose the police protection which he can request as an MP and moreover he could no longer use the Central Clinical Hospital, which serves the Russian political elite.

If he has so much criticism, then why did he ever become a member of the LDPR? Out of electoral opportunism, admits Vengerovskiy.

"I was impressed by Zhirinovskiy because he is a born politician. He is intelligent and pragmatic and speaks to everyone in their own language. I understood immediately that this was someone who could attract an enormous number of votes for liberal-democratic ideas," he explains.

But nevertheless the LDPR has never been liberal-democratic? Which liberal-democratic party gives its leader unlimited power regarding personnel policy and the political course of the party, as the LDPR has done?

"I was not happy with that decision either," Vengerovskiy continues. "But we saw it as an emergency intervention, a way to get power by the shortest way and therefore realize our liberal-democratic ideals."

Since the success of Zhirinovskiy's party in the 1993 parliamentary elections, the LDPR has increasingly come into the hands of dubious characters and even outright criminals, according to Vengerovskiy. The most obvious example is LDPR MP Monastyrskiy, who has various prosecutions for violence on his record. "Zhirinovskiy first crossed him off the list because of his criminal past, but later he nevertheless went into Parliament for the LDPR," Vengerovskiy says.

"The LDPR has become a collecting place for people who are not over-concerned about the law. These people are now fighting out a battle for power at the top of the party," Vengerovskiy continues. According to him it is a question above all of dubious businessmen from the provinces who want political power or criminals who are only seeking to gain parliamentary immunity. He estimates that half of the LDPR MPs have "bought" their seats.

"In exchange for a big contribution to the LDPR coffers you could end up on the list of candidates," he claims. According to him, amounts of $1 million per seat were mentioned in the party.

In any case Vengerovskiy's views come across as scarcely more liberal-democratic than those of Zhirinovskiy. His biggest reproach of the LDPR boss is that he is a "pseudo-nationalist."

"Zhirinovskiy is lying when he says he loves the Russian people. He does not even belong to them: He is half-Jewish. But he does not even love his own people, because it is not fashionable," Vengerovskiy states.

The dissident LDPR member has high hopes that it will soon be finished with Zhirinovskiy. He is convinced that the LDPR leader will suffer a humiliating defeat in the June elections. "Afterwards I will take over power in the LDPR and Zhirinovskiy can go and write his memoirs, in Switzerland. He has already transferred a lot of money there," Vengerovskiy claims.

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## Military Issues

### Russia: Cancellation of Grachev Visit May Indicate Resignation

*LD1505191196 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 15 May 96*

[FBIS Translated Text] Russian Defense Minister Pavel Grachev has postponed his visit to Norway. He was to attend a meeting of the defense ministers of the Nordic countries there. The postponement has caused many questions asked by journalists. Many journalists believe the cancellation of the visit means Grachev's forthcoming resignation.

### Russia: General Churanov Remarks on Army Supply Problems

*MM1505143496 Moscow PRAVDA in Russian 15 May 96 p 2*

[Report by Lyudmila Andreyeva under the "Who Will Defend the Defenders of Russia?" rubric: "Army Is Eating Up Soviet Emergency Supplies"]

[FBIS Translated Text] It so happens that during the most solemn, victorious days, days of glory for the Russian military, people in Russia at all levels have been speaking increasingly often and increasingly sharply of the Army — the Russian Army. The State Duma also broached this topic. At their recent sessions the deputies, while trying to find out the reasons for the death of the convoy of Russian soldiers from the 245th Motorized Infantry Regiment 16 April, also tried to investigate the state of the Army as a whole, and in particular supplies of food and gear.

"In all my life I have never heard a more terrible report, although I have been connected with the Army for 30 years. I never thought that the Army could be reduced to such a state in peacetime!" Deputy Yuriy Guskov, member of the State Duma Committee on Problems of the North, could not help exclaiming after listening to the report of Vladimir Churanov, deputy defense minister and chief of the Russian Federation Armed Forces Rear Services.

We will leave our readers to reach their own verdict on the general's revelations, keeping our own emotions and conclusions "out of shot" and confining ourselves merely to the reaction of the people's elected representatives.

Here is what Moscow General V. Churanov said:

[Churanov] In 1993-1995 funding of the Russian Federation Armed Forces was under 50 percent of the real need. Half the missing requirements had to be covered from nonbudgetary sources. These were carryover reserves, emergency supplies, and debts to suppliers. But these sources are finite. As a result carryover food reserves have been practically totally consumed, and 40 percent of the emergency supplies have gone. Debts to suppliers total 1.1 billion rubles [R], of which R1 billion are for 1995. The Army is thereby bringing many enterprises to the verge of bankruptcy.

Food supply norms are approved by the Russian Federation Government and have the force of law. But it must be bluntly admitted that the Army's needs were not fully taken into account. Though R8.2 trillion were requested for food supplies in 1996, only R6.1 trillion were allocated, which is 73 percent of the required amount. The percentage decreases further in view of inflation. But not even this money is being received in full: During the first quarter of 1996 only R900 billion were received instead of the R1.4 trillion allocated under the law.

How in these conditions can we supply the Army with food? The only way is to broach the emergency supplies and get into debt with suppliers. Today each military district's debts to suppliers run into billions of rubles. The Far East District owes R218.5 billion, the North Caucasus R138 billion, the Volga R139 billion, the Transbaykal R101 billion, and so forth.

This could not but affect the quality of servicemen's food and their diet. This is particularly affecting the daily rations of those who determine the Armed Forces' combat readiness: primarily missile men, who perform combat alert duty in silos, at great depths, and who have nothing but food in order to compensate for the energy they expend in their stone prisons; fliers, who are under enormous stress; and submariners. The officially specified fresh vegetables, fruits, and meat are a rarity in their diet — everything is replaced by canned products. This sharply reduces the functional readiness of the organism of these categories of servicemen with regard to performing tasks in complex and extreme situations and adversely affects their morale.

Some garrisons are issuing personnel with rusks rather than bread, supplies of which are sporadic because of debts.

We are trying to keep the situation regarding troops' food supplies at least at the minimum necessary level, although our internal potential is decreasing with every passing month. The situation is aggravated by the fact that a certain proportion of young men, between 3 and 7 percent, are underweight when they are drafted into the Army. As soon as these recruits arrive, we instantly send them to hospital in order to restore their health to a level permitting them to fulfill the set tasks. Although hospitals too are short of food. We can only lament the tragic case in the Far Eastern Military District involving

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the death of Private Kubarskiy, who even in civilian life was underweight and suffered from diabetes. Extreme physical stress and the meager diet played a negative part here. Unfortunately, waste and theft also take place in military districts. Admittedly, wastage declined in 1995 in comparison with 1994.

But the main problem in supplying the Army remains minimal and spasmodic budget funding. This is also the reason for the significant deterioration in the supply of gear for troops, which is funded at only 30 percent of the required level. As a result at present 70 percent of servicemen are not supplied with clothing, regular ablutions have been disrupted, the work of laundries has been hampered, and gear has been removed from the emergency supplies in quantities exceeding permissible limits. Debts to (clothing) supplier enterprises total R735 billion. There is practically nothing for the spring draft or school and academy graduates. Since in one and a half years not a kopek has been received specifically to supply personnel of the grouping of federal forces in Chechnya, all the resources of districts are having to be sent there.

Under the existing funding, as from the second half of the year, we will be able to clothe only one serviceman in three and will be forced to call a complete halt to the issue of warm clothing. [Churanov ends]

Deputies complemented the general's report with even more interesting details which the chief of rear services failed to mention: "...in Vladikavkaz soldiers from the hospital in hospital gowns are running around the city begging for bread; soldiers are hospitalized not merely because they are underweight, but also because of exhaustion; only 10 percent of draftees are in a satisfactory state of health; the role of the supreme commander in chief in wrecking not only the Army but also its rear services has been removed from the equation; during the election campaign the supreme commander in chief has handed out many more trillions than the Army requires for normal functioning."

V. Churanov could not give the deputies intelligible answers when he was asked why there was no self-criticism in his report. Why, for instance, when the strength of the Armed Forces has decreased from 2.8 million men in 1992 to 1.7 million, has the number of people in command and control organs and troop supply organs not decreased by a single person, and, furthermore, the number of generals has increased by several dozen? What do the snowballing numbers of Russian Army generals actually do? What does the chief of Rear Services think about the information carried in the mass media regarding the dacha settlements for generals that are under construction — in the immediate Moscow region alone over 200 dachas are under construction for the top Army leadership, at costs ranging between $300,000 and $800,000?

"There are abuses," was V. Churanov's response. "The prosecutor's office is checking out the facts." But everybody knows that these "checks" go on for years until they are eventually forgotten.

The deputies made no secret of their indignation. They even adopted a decree telling the government to "approve within 10 days a clarified timetable for funding supplies of food and gear for the Army and [instructing] the president to check the facts of and the reasons for the death of soldiers from malnutrition." But knowing what our constitution is like, it is easy to guess how the members of our executive in the Kremlin will treat this document.

What is happening was summed up by the general conclusion drawn by deputies after what they had heard: "It is a question not of funding but of the disintegration of the economy and agriculture; if the Army has neither boots, clothing, nor food, then there is no Army; if there is no Army, there is no state."

None of the generals accompanying the chief of Rear Services and attending the session objected to this statement. How could they object, when each day we learn that these exhausted, tormented young men, our children, are dying in Chechnya, spilling their blood on the soil of Russia. "Theirs is not a happy lot." But will even one general's uniform on well-fed and contented ministry functionaries blush at it?

**Russia: Yeltsin Edicts Boost Defense Industry**

*MM1505120896 Moscow ROSSIYSKIYE VESTI in Russian 15 May 96 p 1*

[Article by Pavel Anokhin: "'Inferiority Complex' Overcome After Boris Yeltsin Signs Two Edicts Radically Changing the Situation in the Military-Industrial Complex"]

[FBIS Translated Text] One of these edicts has transformed the Russian Federation State Committee for Defense Sectors of Industry into the Russian Ministry of the Defense Industry, which signifies structural changes in the military-industrial complex. The second edict — "On Priority Measures To Support Russian Federation Defense Complex Enterprises" — makes provision for specific actions aimed at improving the situation of Russian defense enterprises and preserving and developing Russia's defense industry potential.

The head of state's decisions, adopted on the eve of the 51st anniversary of the Great Victory, end an acute and

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protracted debate in Russian society about the military-industrial complex' role and place in the country and ways and forms to develop it.

Commenting for ROSSIYSKIYE VESTI on the presidential edicts on the defense sector, Russian Federation First Deputy Defense Minister Andrey Kokoshin noted that they did not just appear in the heat of an election battle but are the result of detailed analysis of the most vitally important problems of the defense complex and constitute important state steps in safeguarding the country's defense capability. "The decisions which have been adopted," he said, "are aimed at improving the Russian Armed Forces' equipment level with modern weapons and developing the ultra-complex systems needed both for the safeguarding of defense capability and also for Russia's general industrial and economic development."

The edict on measures to support the defense sector was prepared jointly by the Ministry of Defense, the Ministry of the Defense Industry (the former Gosoboronprom), the Ministry of the Economy, and the Russian Federation President's State-Legal Administration and was discussed with the leaders of defense enterprises and a number of administration heads. It was given a final "polish" at Boris Yeltsin's recent meeting with defense industry "interests," during which there was a frank and constructive conversation. This resulted in the recent edicts on the military-industrial complex, which testify that the head of state and the leaders of military-industrial complex enterprise have found not only a common language but also some money.

"The country's defense sector has been waiting impatiently for such an edict for a long time," Zinoviy Pak, who has been appointed Russian minister of the defense industry, said. "The president's decision will make it possible not only to improve the management of the country's military-industrial complex by helping it to make the most rapid inroads into the market but also to substantially strengthen Russia's defense capability."

The key problem in fulfilling the decisions which have been adopted is funding, of course. As of today the state owed defense complex enterprises around 6 trillion rubles. The edict prescribes first and foremost an end to this problem. Aleksandr Livshits, the Russian Federation president's economics aide, told journalists how the president's decision is already being implemented — financial resources to the tune of R2.8 trillion have been sent to enterprises carrying out defense orders. These funds are going to Udmurtia, Maritime and Khabarovskiy Krays, Moscow and Sverdlovsk Oblasts, St. Petersburg, and Tatarstan — in brief, to regions with a high concentration of defense enterprises. As of 13 May research and development funding for all parent organizations had been paid. "Defense complex funding is under the Russian Federation president's personal control," Aleksandr Livshits stressed.

But the edict is not confined solely to financial injections for the military-industrial complex. Under the president's decision provision has been made for social infrastructure projects run by enterprises carrying out state defense orders to be transferred to organs of local self-government in the very near future. Defense sector enterprises are being granted deferments on the payment of taxes into the federal budget and on payments to the Pension Fund until all arrears relating to the fulfillment of state defense orders have been paid.

The defense complex has been given the right to enlist commercial bank resources to fund orders and to issue and accept promissory notes. Zinoviy Pak reported that the Ministry of Defense has been authorized to raise a credit of around R5 trillion with commercial banks to settle up with defense industry enterprises. To encourage investment in the defense sector, privatized enterprises carrying out state defense orders have been authorized to take into ownership the pieces of land on which they are built.

In pursuance of the edict a package of documents making provision for the state to buy a proportion of the shares in enterprises involved in carrying out the defense order is to be prepared soon. Provision is also being made for the abolition of valued-added tax on components and materials imported from abroad to fulfill the defense order.

Thanks to the edict, for the first time in recent years there is a real chance that advances on the defense order for 1997 could be paid in December this year.

The way Zinoviy Pak plans it, in market conditions Russia's military-industrial complex must not only achieve normal operations but also fulfill the defense order aimed at safeguarding the Russian state's security. The proposal is that this should be done by selling arms and new combat equipment, developing dual technologies, and converting military production. "By the year 2000 Russia will have increased weapons exports to $10 billion as against 3 billion last year," the head of the Ministry of the Defense Industry stated. "A special program to increase Russian arms exports is currently being developed. Today seven defense sector enterprises already have the right to export their products without going through the 'Rossvooruzheniye' state company. In addition, the process of certificating another 24 enterprises which will also be granted the right to operate independently in the foreign market is nearing completion."

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"Will such trading not damage the country's defense capability?" your ROSSIYSKIYE VESTI correspondent inquired. Zinoviy Pak unequivocally and categorically assured us: "No!"

"We put on the market only things which our own Army has in its armory. And there are even better examples," he stressed. "This is the underlying principle in arms trading. If we supply new equipment to some state we immediately adopt a decision to develop a more modern version for Russia."

**Russia: Border, Security Troops Added to Military Service Law**

*MM1505120796 Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4*

[Russian Federation Federal Law No. 42 "On Amending the Russian Federation Law 'On Military Service Obligation and Military Service,'" adopted by the State Duma 17 April 1996 in the Kremlin, Moscow, on 9 May 1996, and signed by Russian Federation President B. Yeltsin — from the 'Documents' section]

[FBIS Translated Text] Article 1. The following amendment is to be made to the Russian Federation Law "On Military Service Obligation and Military Service" (VEDOMOSTI SYEZDA NARODNYKH DEPUTATOV ROSSIYSKOY FEDERATSII I VERKHOVNOGO SOVETA ROSSIYSKOY FEDERATSII, 1993, No. 9, p 325):

in Part 1 of Article 16 the words "and the Russian Federation Ministry of Internal Affairs" are replaced by the words "the Russian Federation Ministry of Internal Affairs, the Russian Federation Federal Border Service, and the Russian Federation Federal Security Service."

Article 2. This Federal Law comes into force on the day of its official publication.

[signed] B. Yeltsin, president of the Russian Federation

[dated] 9 May 1996

## Federal Assembly

**Russia: Federation Council Sponsors Economic Brainstorming Session**

*MK1505125696 Moscow NEZAVISIMAYA GAZETA in Russian 15 May 96 p 2*

[Report by Sergey Mulin: "Stroyev Searches for an Economic Maneuver. Experts Propose Adopting a State Regulation Code"]

[FBIS Translated Text] Yegor Stroyev, chairman of the upper house of the Russian parliament, yesterday initiated the elaboration of a new dynamic economic policy that would help to overcome the current "stabilization crisis." Economists representing different schools that frequently serve diametrically opposed political groups — say, Yevgeniy Yasin, economy minister in the present government; and Communist Yuriy Maslyukov, chairman of a Duma committee — responded to the call from the senate speaker and gathered at the roundtable of the Russian Federation Parliamentary Center on Tsvetnoy Boulevard.

The Federation Council chairman — who believes that the main task of the Federation Council and the State Duma for the period before 16 June and after is to "sharply upgrade the quality of laws being adopted" — called on the specialists to clearly define the state's functions in a market economy, and, in particular, to adopt a special code on state regulation of the economy.

Yegor Stroyev included the following members in the Federation Council speaker's working group for the preparation of corresponding legislative proposals: Aleksandr Belyakov, governor of Leningrad Oblast; Mikhail Delyagin, adviser to the Russian president; Nikita Moiseyev, academician of the Russian Academy of Sciences; and Sergey Yegorov and Inkombank Chairman Vladimir Vinogradov, both presidents of the Association of Russian Banks. They were entrusted to sum up the ideas of maneuvering the state's credit and finance and investment policy that were made in the course of a substantive discussion yesterday.

In a demonstration of readiness to search for an economic consensus, Mr. Yasin, who was the key speaker, said that, although the positive consequences of the general stabilization that has been achieved — as well as an inflation level that has been reduced in excess of the boldest expectations — will manifest themselves before the end of the year, we are faced with a most acute structural crisis that can be overcome only by encouraging production. The state is ready to somewhat reduce the tax burden, but it will first have to learn to collect taxes. To alleviate this task, the enterprises will be asked to operate a so-called "basic settlement account" where all revenues are to be accumulated. Depending on whether or not it has the requisite funds, the state intends to invigorate its investment policy.

Challenging the minister's idea, Academician Valeriy Makarov, director of the Central Economic-Mathematical Institute and an author of the election program for presidential candidate Gorbachev, proposed a "corporate collectivism economy" model for Russia, based simultaneously on both the national and the territorial principle. He proposed shifting the emphasis of state economic policy towards regulation of the state sector of the new type and rectifying

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the unbalanced economic structure in favor of purely financial structures, all towards a reduction in the share of the unregulated (shadow) economy from 40-45 percent to 15-20 percent of GDP.

Mr. Maslyukov said that the country has lapsed into a "reduced reproduction" mode, calling for greater trust to be given to domestic science, which is designed to define an optimal production structure for Russia. On which point his approach coincided with that of such a pro-market economist as Gavriil Popov.

The gist of the proposals by the other roundtable participants was the imposition of tough state control over the activity of the natural monopolies — primarily the fuel and energy and railway sectors — as well as ways of exempting them from taxes in exchange for fixed low tariffs. There were also calls to bring the banking interest rate in line with the officially announced inflation level, which should ensure an influx of investments in the production sector from the country's financial market. The economic maneuvering in favor of the domestic producer should be stimulated by a program, personally recommended by Yegor Stroyev, to revitalize Russia's central "black earth" region and to address the problem of the country's food independence.

Recommendations by specialists, who for the first time have pooled their resources under the auspices of the Federation Council, can lay the groundwork for the main consensus in the country: the economic one.

**Russia: Federation Council Approves Defense Bill**

*LD1505131596 Moscow INTERFAX in English 1152 GMT 15 May 96*

[FBIS Transcribed Text] MOSCOW, May 15 (Interfax) — Russia's Federation Council, the upper house of parliament, approved the bill "On Defense" Wednesday.

Under the draft law, the Defense Ministry and the General Staff will coordinate and develop all power structures and prepare them for the task of national defense.

The law prohibits any military groupings not provided for in federal legislation. It also allows all troops and military groupings whose status is not determined by law to be disbanded or included in the armed forces after January 1, 2000.

The legislation also establishes the procedure for using the armed forces for the fulfillment of missions that are not connected with their tasks and grants the Federal Council the authority to endorse presidential decrees on the use of the army.

The law specifies the government's powers in the area of defense and makes it responsible for determining the procedure for providing land, forests, water and other natural resources for defense needs, as well as deciding the terms and conditions of the army's financial and economic activities.

In addition, the government will decide the procedure for using funds allocated for defense needs, determine sources of army funding and establish a mechanism for compensating the population and organizations for any damage which may be caused by the use of their property for defense needs.

**Russia: Federation Council Rejects Law on Election Control**

*LD1505173996 Moscow INTERFAX in English 1548 GMT 15 May 96*

[FBIS Transcribed Text] MOSCOW, May 15 (Interfax) — The Federation Council, the Russian upper house of parliament, Wednesday rejected the law on public control over elections and the counting of votes.

It is inexpedient to adopt this law in its present version now, Legal Committee Chairman Vladimir Platonov said. The enforcement of the law will require substantial financial costs unforeseen by the federal budget, he said.

In defiance of the constitutional division of powers, the law extends over presidential, parliamentary and local elections, Platonov said.

The law repeats many provisions of the existing election legislation and sometimes contradicts it, the deputies agreed. The local courts cannot supervise elections and therefore cannot cancel their results, they argued.

The Federation Council also rejected amendments to the federal law on covering the activities of state bodies in the state-run mass media. The house decided that the law needed serious adjustment, because it reduced the powers of journalists and virtually enabled the Federal TV and Radio Broadcasting Commission to impose censorship.

**Russia: Federation Council Approves Government Agreements**

*LD1505212596 Moscow ITAR-TASS World Service in Russian 1306 GMT 15 May 96*

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 15 May — The Federation Council today ratified a package of intergovernment agreements "On incentives for and mutual protection of capital investments" with the Czech Republic,

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Vietnam, Kuwait, India, Hungary, Albania and Sweden. The agreements were concluded back in the times of the USSR, and Russia as the legal successor to the USSR continues to implement them. Similar new agreements have been concluded which define the access granted to an investor in another country and set out a mechanism for investments. In the Russian territory, foreign investors are granted most favored treatment.

The Russian Federation Council has ratified an intergovernmental agreement with Moldova on pension provision for former servicemen and their families, which aims to resolve the social problems of the Russian-speaking population. Oleg Bogomolov, chairman of the Federation Council Committee for the Affairs of the CIS, said that the need for such an agreement is due to the fact that the pension legislation for servicemen in Moldova does not envisage pension entitlement for persons who retire from the military service of other states, and also for persons without Moldovan citizenship.

**Russia: Legislative, Regulatory Documents 5-11 May**

*96P50080*

[FBIS Report] The following is a listing of Russian legislation recently published in the press of the Russian Federation compiled by FBIS. Numbers within parens indicate approximate wordage. Entries followed by the notation "Text" have been translated into English and are available in FBIS publications.

**SECTION I: ECONOMIC LEGISLATION (EXPORT-IMPORT, BANKING, PRIVATIZATION, AUCTIONS, REGIONAL DEVELOPMENT)**

Chernomyrdin-Signed 21 March RF Government Decree No. 299 Suspending Certain Government Decisions On Including In The Prime Cost Of Output (Work, Services) Expenditure Associated With Voluntary Insurance. (Moscow ROSSIYSKAYA GAZETA in Russian 5 May 96 p 8) (300)

Government 22 March Directive No. 423 On Submission To Duma Of Draft Federal Law On Amendments To Law On Excise Duties, Tasking Deputy Finance Minister Shatalov With Piloting It Through Parliament. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 6) (100)

Government 25 March Directive No. 473 On Financing Conservation Work At Altay Kray Mine. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 6) (100)

Government 25 March Directive No. 481 On Financing Price Compensation For Far East Energy Producers. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 6) (100)

Government 1 April Decree No. 426 On State Support For Tatarstan Defense Sector Enterprises Involved In Major Conversion Projects. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 5) (500) (Text)

Chernomyrdin-Signed 1 April RF Government Decree No. 479 On Abolition Of Export Customs Duties, Amendment To Excise Rates On Oil, And Additional Measures To Ensure Receipt Of Revenue Into The Federal Budget. (Moscow ROSSIYSKAYA GAZETA in Russian 5 May 96 p 8) (Text) (700)

Government 3 April Directive No. 524 On Submission To Duma Of Draft Federal Law On Service In RF Customs Organs, Tasking Deputy Chairman Of State Customs Committee Maksimtsev With Piloting It Through Parliament. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 6) (150)

Government 3 April Directive No. 556 On Submission To Duma Of Draft Federal Law On Details Of Taxation Of Tula Oblast Economic Partnerships And Agro-Industrial Complex Companies For Duration Of Economic Experiment, Tasking First Deputy Agriculture Minister Shcherbak With Piloting Draft Through Parliament. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 6) (150)

Government 5 April Directive No. 558 On Submission To Dnma Of Draft Federal Laws On Amendments To Code Of Labor Laws And Amendments To Law On State Benefits For Citizens With Children, Tasking Deputy Health Minister Vaganov With Piloting Them Through Parliament. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 6) (200)

Government 5 April Directive No. 559 On Submission To Dnma Of Draft Federal Law On Amendments To Laws On State Pensions, Military Service Pensions, Corrective Labor Code, Tasking Deputy Justice Minister Stepanov With Piloting It Through Parliament. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 6) (200)

Government 11 April Decree No. 412 Amending Import Duties Approved By 6 May 1995 Decree To Apply To Diesel Engine Crankshaft Lathes. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 6) (400)

Government 11 April Decrees No. 413 On Amendments To Decree No. 454 Of 6 May 1995 'On Setting Rates Of Import Customs Duties,' And No. 499 Of 23 April On Amendments To No. 413. (Moscow ROSSIYSKAYA GAZETA in Russian 5 May 96 p 8) (250/150)

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Government 12 April Decree No. 424 Approving Statute Of Federal Fund For Support For Small Business, Plus Text Of Statute. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 12) (400/4000) (Text)

Government 15 April Decree No. 433 Nullifying Previous Official Documents In Light Of Adoption Of Federal Law On State Regulation Of Production And Circulation Of Ethylene Spirit And Alcohol Products. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 12) (250)

Government 15 April Decree No. 436 On Priority Environmental Measures Applicable To City Of Kamensk-Uralskiy In Sverdlovsk Oblast. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 6) (600)

Government 15 April Decree No. 442 On Federal Program For Socioeconomic Development Of Buryatia. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 6) (800)

Government 15 April Decree No. 467 On Creation Of 'Regionalnyy Tsentr "Yugpatent"' Federal Unitary Enterprise In North Caucasus To Facilitate Unified Patent Service Countrywide. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 13) (450)

Government Directives Nos. 594, 598, 599, 600 (All Dated 15 April) And No. 659 (Dated 23 April) Allocating Funds From Government Reserve Fund To Roskomvod For 'Priority Repairs To Krasnodar Reservoir' And To Murmansk, Kamchatka, And Tomsk Oblast And Khabarovsk Kray Administrations For Disaster Relief Aid. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 5) (50/100/550/200/250)

Chernomyrdin-Signed 19 April RF Government Decree No. 482 On Amendments To Government Decree No. 359 Of 1 April In Connection With Payment Of Excise On Exports Of Natural Gas. (Moscow ROSSIYSKAYA GAZETA in Russian 5 May 96 p 8) (100)

Yeltsin 20 April Edict No. 569 On Measures To Improve Social Security For Persons Studying At Educational Institutions In Initial Vocational Education And Industrial-Pedagogical Secondary Specialized Educational Establishments And To Reform The System Of Initial Vocational Education. (Moscow ROSSIYSKAYA GAZETA in Russian 5 May 96 p 7) (600)

Federal Law No. 36 Of 20 April On Amendments, Additions To Law On 'Employment Of The Population' Adopted By Duma 22 March, Approved By Federation Council 11 April, Signed By Yeltsin 20 April. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 pp 3-4) (12000)

Yeltsin 22 April Edict No. 599 On Extending Term Of Trust Agreement On Gazprom Shares Retained In Federal Ownership. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 4) (300) (Text)

Government 23 April Directive No. 666 Ordering Finance Ministry Action On Reducing Federal Budget Revenue Arrears. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 6) (400) (Text)

Chernomyrdin-Signed 23 April RF Government Directive No. 673 On Deferral Of Budget Payments By Sakhalinmorneftegaz Company In Order To Fund Completion Of Work To Eliminate Consequences Of Sakhalin Earthquake. (Moscow ROSSIYSKAYA GAZETA in Russian 5 May 96 p 26) (200)

Government 23 April Directive No. 675 On Aid To Fire-Damaged Moscow Tire Plant. (Moscow ROSSIYSKAYA GAZETA in Russian 7 May 96 p 2) (250) (Text)

Yeltsin 29 April Edict No. 606 On Measures To Develop Belgorod Oblast Mining And Metallurgy Complex In 1996-2000. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 4) (600) (Text)

Appendix To 'Internal Waters Of Russia' Federal Targeted Program For 1996-2000 Approved By Government Decree No. 464 Of 15 April. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 14) (4000)

Correction To Government 11 April Decree No. 414 (Published In 17 April Edition Of Newspaper) On Customs Duty Concessions Procedure Applicable To Various Products. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 4) (200)

## SECTION II: POLITICAL (INTERNATIONAL AND CIS AFFAIRS, ELECTIONS, CRIME, POLLUTION)

Government 12 March Directive No. 366 Allocating R22 Billion To National Sports Foundation Out Of Government Reserve Fund To Complete Restoration Of Former Razumovskiy Estate. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 4) (200)

Government 21 March Directive No. 430 Transferring Kostroma Flood Defense Installations To Local Control. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 6) (100)

Yeltsin 11 April Directive No. 178 On Creation Of Military-Space Cadet Corps. (Moscow

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ROSSIYSKAYA GAZETA in Russian 8 May 96 p 4) (350) (Text)

Government 15 April Decree No. 466 Setting Up A Federal Register Of Local Newspapers For 1997. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 6) (400) (Text)

Government 15 April Decree No. 469 Approving Draft Agreement (Not Published) Between Russian And French Governments On Scientific And Technical Cooperation And Supplies Of Highly Enriched Uranium. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 6) (350) (Text)

State Duma 17 April Decree No. 252 On Relaxing Sanctions Against Libya. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 6) (200) (Text)

Government 18 April Decree No. 457 On Ministerial Jurisdiction Of Specialized Authorized State Organs To Protect, Monitor, Regulate Use Of Russian Fauna And Their Habitats, Tasking Relevant Ministries With Insuring Their 'Effective Protection'. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 5) (400)

Central Electoral Commission 19 April Statute Setting Up Groups To Monitor Presidential Election Campaigning In The Media, Also Naming Central Group Members. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 6) (2800)

Yeltsin 21 April Edict No. 572 On Transfer To MVD Operational Control Of Leasehold Buildings And Installations. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 5) (400)

Yeltsin 21 April Edict No. 576 Ruling Previous Documents Invalid In Light Of 29 January Edict On Questions Of RF Presidential Staff. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 5) (400)

Chernomyrdin-Signed 22 April RF Government Decree No. 649 Appointing Commission To Investigate Deaths Of Servicemen Of 245th Motorized Infantry Regiment In Chechnya On 16 April, With Justice Minister V.A. Kovalev As Chairman, Due To Report Back With 10 Days; Includes List Of Commission Members. (Moscow ROSSIYSKAYA GAZETA in Russian 5 May 96 p 26) (350)

Yeltsin 22 April Edict No. 601 Giving 'Presidential' Status To April 1996 Federal Targeted Program For Economic And Social Development Of Far East And Transbaykal For 1996-2000, Tasking Government With 'Priority' Allocation Of Resources For It. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 4) (300)

Government 23 April Decree No. 504 Approving Statute On Procedure For Granting Free Travel Passes To Sanatoriums, Health Institutions For Participants In Chernobyl AES Aftermath Cleanup, Plus Text Of Statute. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 5) (300/1900)

Government 23 April Decree No. 512 Making Minor Changes To Residence Registration Rules. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 6) (200)

Government 23 April Decree No. 522 Approving Statute On Procedure For Formalizing, Issuing Standardized Certificates To People Affected By Radiation From Semipalatinsk Nuclear Tests, Plus Text Of Statute. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 5) (100/1600)

Yeltsin 23 April Edict No. 602 On Additional Measures For The Rehabilitation Of Victims Of Political Repression. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 5) (600)

Government 24 April Decree No. 505 On Providing Housing Certificates For Needy Invalids, Families Of People Who Died As A Result Of Chernobyl Accident. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 5) (700)

Central Electoral Commission Decrees Of 26 April Formalizing Registrations Of Bryntsalov, Tuleyev, Vlasov As Presidential Candidates. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 5) (400/250/250)

Yeltsin 29 April Edict No. 607 Suspending Various Voronezh Oblast Administration Decrees. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 4) (300) (Text)

Yeltsin 30 April Edict No. 614 On Treatment Of Veterans. (Moscow ROSSIYSKAYA GAZETA in Russian 7 May 96 p 1, 2)

Yeltsin 2 May Edict No. 619 Conferring WWII Valor Decorations. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 4) (2200)

Yeltsin 2 May Edict No. 635 Conferring Posthumous Hero Of Russia Awards On Four WWII Officers. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 4) (250)

Yeltsin 2 May Edict No. 647 On Publication Of Encyclopedia Russica. (Moscow ROSSIYSKAYA GAZETA in Russian 7 May 96 p 1) (400)

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Yeltsin 6 May Edict No. 648 On One-Shot Payment To War Veterans Living In Baltic Countries. (Moscow ROSSIYSKAYA GAZETA in Russian 8 May 96 p 1) (200) (Text)

**SECTION III: SCIENCE AND TECHNOLOGY**

Government 3 April Directive No. 541 Instructing Foreign Ministry To Exchange Notes With U.S. Confirming Acceptability Of 30 January Executive Agreement Between Russian Space Agency And NASA On Space Radiation Observation During Mars Mission. (Moscow ROSSIYSKAYA GAZETA in Russian 6 May 96 p 5) (150)

Chernomyrdin-Signed 15 April RF Government Decree No. 478 On Establishing List Of Essential And Important Medicines And Medical Supplies For Which Sales Profits Received By Enterprises Of All Organizational And Legal Forms Producing The Said Medicines And Medical Supplies Are Not Subject To Taxation; Footnote Announces That The List Itself Is To Be Published In The 'Business In Russia' Supplement. (Moscow ROSSIYSKAYA GAZETA in Russian 5 May 96 p 8) (200)

## Regional Affairs

**Russia: Yeltsin's Chechnya Visit Expected To Resolve Funding Problems**

*LD1605100196 Moscow INTERFAX in English 0854 GMT 16 May 96*

[FBIS Transcribed Text] GROZNYY, May 16 (Interfax) — One major result of Russian President Boris Yeltsin's expected visit to Groznyy will be a quick solution to problems connected with funding the efforts to rebuild Chechnya's economy, head of Chechnya's Moscow-backed government Nikolay Koshman told a news conference in Groznyy on Thursday.

"A presidential visit to Chechnya is necessary," Koshman pointed out. "I am confident that full security will be ensured for Boris Yeltsin during his visit to the republic. Everyone must remember that the president is going to one of the republics making up the Russian Federation, to the Russian city of Groznyy," he said.

"The process of signing peace agreements in Chechnya is virtually concluded and the government is about to adopt new tactics — concrete on-site work," Koshman said.

He intends to visit Groznyy's Staropromyslovskiy District on Thursday together with officials from the key ministries to devise ways to resolve problems connected with rebuilding industrial facilities and giving social aid to the population, Koshman said.

In the next few days government members will visit Sernovodsk, Shali and Vedeno, he said.

**Russia: Chechen Separatists Ban Attacks on Yeltsin, Top Leaders**

*LD1605083596 Moscow INTERFAX in English 0810 GMT 16 May 96*

[FBIS Transcribed Text] SOUTHERN CHECHNYA, May 16 (Interfax) — The highest political body of the Chechen armed opposition, the State Council, says neither the special services nor the armed wing of the Chechen separatist forces are planning any retaliatory action against Russian President Boris Yeltsin.

The State Council quoted separatist chief-of-staff Aslan Maskhadov as banning all moves against top Russian leaders, including Yeltsin, until it becomes clear "who exactly was the brain behind the assassination of Dzhokhar Dudayev."

"Federal special services may carry out terrorist acts against Yeltsin when he visits Chechnya so as to be able to say that separatist forces struck against the president in retaliation for Dudayev's death," the State Council quoted opposition intelligence sources as saying.

Chechen opposition leaders assume that attempts on Yeltsin's life may be made with a view to carrying out a coup d'etat which would enable Moscow to continue the war in Chechnya. Certain political forces reap substantial profits from, and are interested in, continued warfare in Chechnya, the State Council said in a special statement on Wednesday.

**Russia: Yeltsin Meets With Lobov To Discuss Chechnya**

*LD1505185396 Moscow INTERFAX in English 1640 GMT 15 May 96*

[FBIS Transcribed Text] MOSCOW, May 15 (Interfax) — Russian President Boris Yeltsin met with Russian Security Council Secretary and presidential envoy in Chechnya Oleg Lobov in the Moscow Kremlin on Wednesday, well-informed sources told Interfax.

Yeltsin and Lobov considered the implementation of the presidential program to settle the conflict in Chechnya, problems regarding the preparations for Yeltsin's planned visit to this separatist republic, and the Russian Security Council's next session, slated for the end of May, the sources said.

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**Russia: Chernomyrdin Speaks on Future Yeltsin Visit to Chechnya**

*LD1505162096 Moscow ITAR-TASS World Service in Russian 1520 GMT 15 May 96*

[By ITAR-TASS correspondent Artem Protasenko]

[FBIS Translated Text] Moscow, 15 May (Itar-Tass) — "The president's visit to Chechnya must be thoroughly prepared. This visit should set the main points for the settlement of the Chechen conflict," Russian Prime Minister Viktor Chernomyrdin said in an interview with journalists today. The prime minister stressed the most important thing is to stop the bloodshed in Chechnya.

Chernomyrdin avoided giving a direct answer to a question on his personal advice to the president regarding the visit, saying only this: "There are many things about which I advise the president, but the preparations for the visit must be made and we have people capable of ensuring it goes ahead."

**Russia: Federal Forces Claim To Control Over 80 Percent of Chechnya**

*LD1505173096 Moscow INTERFAX in English 1534 GMT 15 May 96*

[FBIS Transcribed Text] GROZNYY, May 15 (Interfax) — Federal forces currently control over 80 percent of Chechen territory and can put the situation in the republic under total control within a month and a half, Gen. Vladimir Shamanov, commander of Defense Ministry troops in Chechnya, told Interfax Wednesday.

However, he expressed concern that electoral moves in Moscow may interfere and make the situation less stable.

According to Shamanov, rebels avoid direct contact with federal troops and act in small groups, carrying out acts of sabotage and attacking rear services of the troops. Rebel units number between 500 and 700 active members now, said Shamanov.

According to him, 30 percent of rebels remain in villages disguised as civilians, while 20 percent are trying to leave Chechnya and 50 percent are in forests in eastern Chechnya and in the foothills of southwest Chechnya.

Pro-separatist mercenaries are also leaving Chechnya, said Shamanov.

**Russia: Chechen Interior Ministry, Federal Command Meet**

*LD1505152896 Moscow Russian Television Network in Russian 1300 GMT 15 May 96*

[From the "Vesti" newscast]

[FBIS Translated Text] Our correspondent from Groznyy reports on joint efforts being made by the federal command and Ministry of Internal Affairs of Chechnya for preventing acts of terrorism.

[M. Velikoselskiy] Vyacheslav Tikhomirov, the commander of the joint group of federal forces in Chechnya, and Vladimir Kolesnikov, first Russian deputy minister of internal affairs today held a closed conference in the Groznyy suburb of Khankala. At the conference, together with the heads of the Chechen Ministry of Internal Affairs, heads of the republic's militia, and military commandants, there was discussion of questions connected with ensuring law and order in the republic.

The fight against crime here now does not stand up to any criticism. The rate of solution of crimes including highly dangerous ones is low. Criminal elements use the difficult situation of lawlessness. On the other hand, sometimes there is a lack of coordination between local law enforcement bodies and special units coming to help from other regions of Russia, subunits of the internal forces, and the Defense Ministry.

What was specifically agreed upon by the Army and militia chiefs in their three hour conference is as yet secret. But Kolesnikov was very satisfied with the results of the meeting. [Video shows Tikhomirov speaking to the officers in a hall; convoy on road; Kolesnikov speaking outside]

**Russia: Chechen Rebels Appeal to Urus-Martan District Head for Amnesty**

*LD1505122996 Moscow Radio Rossii Network in Russian 1100 GMT 15 May 96*

[FBIS Translated Text] Checking of the passport regime was temporarily suspended today in the district center of Urus-Martan on the instructions of the Chechen Government. This was primarily connected with the holding of a itinerant sitting of the republic's government in the town. In an interview for Radio Russia's news service, Yusup Elmurzayev, the head of the administration of Urus-Martanovskiy District, said that there were approximately 20,000 refugees in the town at the moment, but the socio-political situation was normal and no massing of rebels had been observed.

During checking of the passport regime which, incidentally, was conducted by forces of the Chechen militia, one Russian soldier was released and 30 firearms,

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grenade-launchers, and four previously stolen motor vehicles were recovered. It still possible that after some time the federal troops will carry out a similar check on the passport regime. For the time being there is an agreement between Elmurzayev and Vyacheslav Tikhomirov, the commander of the federal troops in the Chechen Republic, that the military will not intervene.

Meanwhile, mediators have approached the head of the administration of Urus-Martanovskiy District to hand over a request from 80 rebels in the mountains for him to obtain an amnesty for them from the Chechen government after which they will be willing to lay down their arms and return to civilian life. These talks are due to be held in Urus-Martan within the next few days.

**Russia: OSCE Denies Taking Orders From Chernomyrdin**

*LD1505153296 Moscow ITAR-TASS in English 1509 GMT 15 May 96*

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY, May 15 (Itar-Tass) — Tim Guldimann who heads the group of assistance to the Organisation for Security and Cooperation in Europe (OSCE) in the Chechen republic, does not act on instructions from Russian Prime Minister Viktor Chernomyrdin, according to Guldimann's deputy Zenon Kuchcziak.

The Polish diplomat told ITAR-TASS today that Guldimann did meet with Viktor Chernomyrdin but he only discussed "in general terms the situation in Chechnya and the possible ways of resolving the crisis."

As concerns his meetings and contacts upon return to the Chechen republic. Kuchcziak said they were all of the "day-to-day" character and were part of the programme drafted by Guldimann himself in January and February of 1996 after he had been appointed to head the OSCE mission in the republic of Groznyy.

Kuchcziak rejected media reports that Viktor Chernomyrdin had asked Guldimann to press the separatists not to obstruct President Boris Yeltsin's visit to the Chechen republic. "They did not discuss Boris Yeltsin's visit to Chechnya at all," Kuchcziak said.

According to him, the OSCE group in Groznyy had established normal working relations with the Doku Zavgayev government. The mission's task was to facilitate the creation of "requisite conditions for meetings and conversations in any form," Kuchcziak said.

Responding to a question about prospects for the beginning of contacts between the conflicting parties in Chechnya, Kuchcziak refused to make any predictions. He said, however, that "not all has been lost, and there is hope that dialogue will be held."

**Russia: Luzhkov Becomes First Registered Candidate for Moscow Mayor**

*MM1405153796 Moscow IZVESTIYA in Russian 13 May 96 p 1*

[Unattributed report: "Luzhkov Issued With Yet Another Certificate"]

[FBIS Translated Text] The first candidate for the post of the capital's mayor was registered at a session of the city electoral commission Sunday [12 May]. Certificate No. 1 was issued to Yuriy Luzhkov. According to the existing statute, from today Luzhkov can campaign and publish his election program. At the same time, the electoral commission ratified its estimated expenditure. It plans to spend around 11.5 billion rubles [R] on the Russian presidential elections and more than R13 billion on the mayoral elections, Konstantin Cherkaskiy, an official of the city hall press center reports.

## Economic Issues

**Russia: Yeltsin Rebukes Government, Pension Fund on Payment Arrears**

*MM1505131096 Moscow ROSSIYSKAYA GAZETA in Russian 14 May 96 p 4*

[Untitled Russian Federation Presidential Directive No. 231 dated 8 May 1996 and signed by Russian Federation President B. Yeltsin — from the 'Documents' section]

[FBIS Translated Text] Despite the Russian Federation president's direct instructions to ensure the timely payment of wages, pensions, and other social payments, instances of their nonreceipt have occurred. The Russian Federation Government and the Russian Federation Pension Fund exercise poor monitoring of compliance with the Russian Federation president's instructions in this sphere. A critical wage payment situation has also taken shape at enterprises and organizations in the nonbudget sphere, including joint-stock companies in which the state holds the controlling share package.

The leaders of the Russian Federation Government and the Russian Federation Pension Fund are to be sternly cautioned for shortcomings in organizing work on the payment of wages, pensions, and other social payments.

[Signed] B. Yeltsin, president of the Russian Federation
8 May 1996
No. 231

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**Russia: Next President Predicted To Inherit Empty Treasury, Debts**

*MK1505140496 Moscow NEZAVISIMAYA GAZETA in Russian 15 May 96 p 1*

[Report by Rustam Narzikulov under the "Finances" rubric: "The Future President To Inherit Huge Debts. State Obligations Under T-Bills To Reach 150 Trillion Rubles"]

[FBIS Translated Text] The cliche whereby business activity is expected to subside in the run-up to the presidential election has for some reason taken deep root in the public consciousness. But this is not so; far from it.

It is not even that entrepreneurs are energetically "restructuring" their assets; that is, transferring capital abroad.

In fact, the electoral jitters open up unlimited opportunities for investors to clinch immensely profitable transactions that turn out to be immensely unprofitable for the state. If the private investors' high yields are the natural cost of risk (what if a new president comes?), the bureaucrats acting on behalf of the state run no risk at all. Currently, with a month to go before the election, one can resolve numerous state problems — first of all, that of the cash crunch — with utmost ease, and let the new government straighten it all out afterward.

A graphic example in this regard is the Central Bank's debt policy. The Central Bank effectively lost the opportunity to replenish its financial resources by floating state securities (treasury bills) back a month ago. On 17 April, for instance, the state treasury had to lose $200 million to pay off creditors under the previous issues of T-bills. It would seem that under these circumstances one should start to scale down the issuance of yet more series of state securities so as not to have to search frantically for yet more trillions of rubles to repay the debts. Particularly so this time, because the debtor state was aided by the fact that May was far from the most difficult month in financial terms.

Instead, the Central Bank, with persistence worthy of a better cause, continues auctioning off yet more series of debts, undeterred either by the upcoming elections or by (which is most important) the anti-investment sentiments of the entrepreneurs. Naturally, state debts, or any other commodity for that matter, can be sold only at a very low price under such conditions. This is what the Central Bank does, selling six-month T-bills at the two latest "holiday" auctions (on 30 April and 8 May) at half (!) the face value. The average selling price was 53.8 percent on 30 April; and 53.5 percent of the face value on 8 May. Furthermore, the lowest selling price on 8 May plunged to a record low of 49.5 percent.

The highest yield on the six-month treasury bills, sold at an auction 24 hours before Victory Day, was 205 percent.

With a yield like that, money will burn the hands of even the most fearful investors, and they will run at once to the Moscow Inter-Bank Currency Exchange to purchase state debts for a song. The game is worth the candle: What if the new president, even if it is Gennadiy Zyuganov, after all repays debts on the T-bills in six months' time?

At the two latest auctions on 30 April and 8 May alone the damage effectively done to the state reached 7.4 trillion rubles, or about $1.5 billion. This is precisely the difference between the sum of money that the budget will have to repay in a few months, and the Central Bank's earnings from the auctions.

The situation, marked by a precipitous growth in internal debt, is curiously reminiscent of the murky financial period of the late 1980's-early 1990's, when the last Soviet government's incessant demand for Western loans turned today's Russia into a bankrupt state.

At the time tens of billions of dollars disappeared without a trace, leaving all successive Russian governments to turn their pockets inside out, demonstrating their insolvency to the London and Paris Clubs.

By 1 April the cost of T-bills in circulation (together with federal treasury bonds) was 108 trillion rubles. By existing estimates, the value of the T-bills will reach 150 trillion rubles by the middle of the year, which is nearly 2.5 times the country's gold reserve. So what the Central Bank will leave to the future president is hopeless debt, an empty treasury, and a few IMF tranches.

**Russia: Moscow Imposes New Ruble Floating Rate Until End 1996**

*LD1605084796 Moscow INTERFAX in English 0804 GMT 16 May 96*

[FBIS Transcribed Text] MOSCOW, May 16 (FIA) — Russia's government and Central Bank announced on Thursday the imposition of a new mechanism for currency regulation that provides for a floating rate of the ruble against the dollar, presidential economic affairs adviser

Aleksandr Livshits said at a briefing in Moscow on Thursday in comments on the results of a conference held by Russian President Boris Yeltsin on Thursday morning.

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The new limits to the ruble rate fixed at 5,000-5,600 rubles per U.S. dollar will be valid between July 1 and December 31, 1996, Livshits said. On January 1, 1997 the limits will be raised to 5,500 and 6,100 rubles.

Having mentioned the new levels of the ruble rate, Livshits called for giving up "corridor terminology."

The conference was attended by First Deputy Prime Minister Vladimir Kadannikov and Central Bank Governor Sergey Dubinin. It discussed and approved documents to lay the foundations for the currency policy to be followed after July 1, when the so-called "currency corridor" is abolished, Livshits said.

A major document approved by the conference was the presidential decree on Russia's joining Article 8 of the International Monetary Fund Charter, which signifies the Russian national monetary unit's transition to convertibility, Livshits said.

**Russia: Central Bank Will Only Save Major Banks From Bankruptcy**

*MK1605074096 Moscow KOMMERSANT-DAILY in Russian 15 May 96 p 5*

[Report by Mikhail Golubev: "They Will Rescue Those Who Have Managed To Grow Big"]

[FBIS Translated Text] On Monday [13 May], there was a meeting of the St. Petersburg Banking Club at the Main Administration of the Central Bank in St. Petersburg. Attending was a representative delegation of the Bank of Russia [Central Bank], led by Central Bank Deputy Chairman Aleksandr Turbanov. Mr. Turbanov's address assessing the state of Russia's banking system and the Central Bank's attitude to cleaning up "big" banks proved to be the main event of the club's meeting.

The question of whether the Central Bank is supposed to help out commercial banks in crisis has become especially acute. The number of actually and potentially bankrupt banks is on the rise. Last year, the Central Bank revoked 225 licenses, and the revoking of licenses has continued this year. However, according to Mr. Turbanov, no one can accuse the Central bank of "swinging the sword left and right" as it decides on liquidating a commercial bank. The contrary is more likely, Mr. Turbanov thinks: The Central Bank is often too slow revoking the license of an actually bankrupt bank. Growing concurrently with the rising number of "problem" banks is the number of requests for the Central Bank's stabilization credits. There has been no recorded instance to date of the Central Bank's having denied a troubled bank direct monetary aid.

The Central Bank deputy chairman confirmed that this is the Bank of Russia's position of principle. The law on the Central Bank does not provide for Central Bank aid to individual commercial banks, for which reason the bank's leadership has made a decision that no stabilization credits will be available to "ailing" banks. The Central Bank deputy chairman stated at the same time that actual aid can be provided, but only in exceptional instances. According to Mr. Turbanov, he is referring to banks of the "federal level whose bankruptcy can stir up a system crisis."

Speaking about other means of helping commercial banks out of trouble, Mr. Turbanov spoke against the state's buying shares in the banks' authorized stock. In Mr. Turbanov's opinion, if widespread, this practice can boost the free-ride mentality in the bank owners, who would have no sense of responsibility for their banks. Mr. Turbanov remarked, not without spite, that a majority of the founders of problem banks think today that to save their banks their only recourse is to ask the Central Bank for a credit.

At the same time, Mr. Turbanov remarked that the experience of appointing temporary administrations to take charge of "ailing" banks accumulated by regional boards of the Central Bank over the last year showed that these administrations have clearly inadequate legal powers to normalize the operation of a bank. The Central Bank pins much hope in this connection on the draft law "On Bankruptcy of Credit Institutions," which is in the State Duma. Central Bank legal experts have made provisions for substantially greater powers for the temporary administrations of banks to be included in amendments to this draft.

**Russia: Regional Defense Industry Enterprises Receive Federal Funds**

*LD1505193296 Moscow Radio Rossii Network in Russian 1700 GMT 15 May 96*

[FBIS Translated Text] Almost 3 trillion rubles from the federal budget have been sent to defense industry enterprises in Udmurtia, the Maritime and Khabarovsk Territories, the Moscow and Sverdlovsk Regions, Tatarstan, St. Petersburg, and several other regions. The funds have been assigned under the decree of the Russian president on immediate measures to support the enterprises of the defense complex.

The press service of the head of state reported that the financing of the defense complex and other measures stipulated by the decree are being personally monitored by Boris Yeltsin.

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## International Affairs

### Ukraine: Kuchma, Ter-Petrosyan Talks To Stress Bilateral Ties

*AU1505140196 Kiev HOLOS UKRAYINY in Ukrainian 14 May 96 p 7*

[Report by Anatoliy Martsynovskyy: "We Have Identical Interests — National"]

[FBIS Translated Text] Ukrainian President Leonid Kuchma started his official two-day visit to Armenia today. It will result in a considerable expansion of the Ukrainian-Armenian contractual and legal foundation and will, in all likelihood, help coordinate positions on some political issues.

Until now, Armenia remained the only Transcaucasian republic that the Ukrainian president had not visited and with which no agreement on friendship and cooperation had been signed — this will be done this time. Also during the visit, intergovernmental accords will be signed, particular an accord on the avoidance of double taxation of incomes and property and a protocol on political consultations between the foreign ministries. Incidentally, Ukraine's Supreme Council recently ratified a Ukrainian-Armenian accord on free trade, and so it is now time to create a joint intergovernmental commission for issues of trade and economic cooperation, as was planned long ago. This is topical, because, for example, last year's commodity turnover between the states amounted to just $12.1 million and fell by two-thirds compared to 1994.

Regarding political affairs, there are no vexed questions in the bilateral Ukrainian-Armenian relations. However, in the light of recent Russian-Belarusian events, a question arises: To what extent are the approaches by Ukraine and Armenia to the "integration processes" within the framework of the CIS similar? Oleksandr Bozhko, chief of Ukraine's Foreign Ministry Administration for Issues of the CIS Countries and also chairman of the "Ukraine-Armenia" society, expressed his opinion on this matter:

"...In its policy, every state proceeds from its own national interests, in which normal pragmatism prevails. Thus, Ukraine, for example, sees its priority interest within the CIS in economic cooperation. Armenia also determines a circle of its interests, taking into account the political, geopolitical, and economic situation. Like Ukraine, it is more interested in bilateral relations because, unfortunately, multilateral accords that are signed within the framework of the CIS do not work.

"The striving for integration within European and world structures is common for us. Armenia also signed the 'Partnership for Peace' Program with NATO; it is a member of the North Atlantic Alliance Council and plans to join the Council of Europe. At the same time, Armenia proceeds from the true geopolitical situation, which compelled it to look for allies, something that enables one to speak of its special relations with Russia."

The last statement may be "deciphered" in the following way. The small Christian Armenia is almost completely surrounded by Muslim countries: Turkey, which is historically hostile to it and which strives to intensify its influence in the Caucasus Turkey in which Islamists won in the recent parliamentary elections; Azerbaijan, relations with which are tense due to the unsettled Nagorno-Karabakh conflict; and the Islamic fundamentalist Iran with its obvious political preferences. Just a small territory of Armenia borders upon the Christian Georgia, which is now restless and weakened. Besides, Georgia also has "special relations" with Russia. Thus, the present situation makes Yerevan look for strong allies.

It is obvious that both economic and geopolitical questions, as well as prospects for settling the Nagorno-Karabakh conflict, will be a topic of talks between Leonid Kuchma and his Armenian colleague Levon Ter-Petrosyan. The sides will sign a communique on the results of the talks.

### Ukraine: Kuchma Says Ukraine Decisively Against Reviving USSR

*LD1505194896 Moscow ITAR-TASS in English 1856 GMT 15 May 96*

[By Tigran Liloyan]

[FBIS Transcribed Text] YEREVAN, May 15 (Itar-Tass) — President Leonid Kuchma on Wednesday said that Ukraine was "decisively" against tries to revive the former Soviet Union "in whatever form," including "any supranational structures which to this or that extent limit political or economic sovereignty."

There is no future in such tries, he told a session of Armenia's National Assembly adding that they only hamper the development of normal cooperation.

Kuchma said that Ukraine "views the CIS (Commonwealth of Independent States) as an important mechanism for maintaining, under new historical conditions, mutually beneficial economic ties between new independent states."

### Ukraine: Foreign Minister on Mediation in Nagorno-Karabakh Conflict

*WS1605083096 Kiev UKRINFORM in English 0755 GMT 16 May 96*

[From the "Current Events" feature]

[FBIS Transcribed Text] As UKRINFORM's correspondent in Yerevan, Armenia's capital, reported, Ukrainian Foreign Minister Hennadiy Udovenko commented there on President Kuchma's announcement made on Wednesday, May 15 in his speech before the Armenian MPs and voicing Ukraine's readiness

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to be a go-between in Karabakh conflict, saying the initiative was timely, though Ukraine does not mean to oust other mediators from the peacemaking process in Nagorno-Karabakh, which involves both Russia and the so-called "Minsk Group."

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## Belarus

### Russia: Minsk Has No Comment on Grachev Statement on NATO

*LD1505182096 Moscow INTERFAX in English 1650 GMT 15 May 96*

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] The Belarusian Foreign Ministry has no information on Russian and Belarusian plans to create a joint force in Belarus to counterbalance NATO's eastward expansion, Deputy Foreign Minister Ivan Antonovich told Interfax Wednesday and therefore refused to speak on Russian Defense Minister Pavel Grachev's comments. IF Note: Grachev told a Tuesday [14 May] press conference after a joint meeting of the two countries' defense ministry collegiums that a "powerful" joint force may be formed. He noted that President Alyaksandr Lukashenka also considers such a step possible.

Moscow and Minsk are "ready to take certain countermeasures to the possible eastward expansion of NATO," Grachev said.

Lukashenka's administration also refused to comment on this, as did the country's Security Council.

But deputy head of the parliament's national security commission, Boris Bikkinin, was more forthcoming.

NATO's eastward expansion, he told Interfax, "would inevitably affect the interests of Belarus, as well as Russia, and will significantly affect the situation in Europe." Moscow and Minsk would be forced to take necessary measures, he said.

Furthermore, he said, if NATO's eastern members have nuclear warheads placed on their territory, "Belarus would have to rethink its non-nuclear status."

And if the issue of Eastern European membership "begins to be solved forcibly," he said, then "the most decisive measures" may have to be taken in response, including the halt to the withdrawal of Russia's strategic nuclear warheads from Belarus.

It is necessary to understand the "fairly well-based concern" of Minsk and Moscow about the spread of NATO, head of the parliamentary commission on international affairs Petr Kravchenko told Interfax. But, he said, in order to form "powerful military units on the territory of Belarus, the country's laws, including its Constitution and military doctrine, would have to be amended."

### Belarus: Military Chiefs Make Progress on Integration

*MM1505134896 Moscow KRASNAYA ZVEZDA in Russian 15 May 96 p 1*

[Report by Aleksandr Pelts: "Treaty on Community Gives Boost to Russian-Belarusian Military Cooperation. Joint Session of Two Fraternal Countries' Defense Ministry Collegiums Held 14 May"]

[FBIS Translated Text] There were over 10 items on the agenda, considerably broadening bilateral relations in the military sphere. Let us recall that the previous meeting of its kind between Russian and Belarusian top military leaders took place 8-10 December last year. A total of 15 bilateral agreements and protocols were signed then. However, the treaty setting up the Community has assigned the military departments a number of new tasks associated primarily with the deepening of integration processes, including integration in the defense sphere.

Opening the meeting, Army General Pavel Grachev, Russian Federation defense minister, noted with satisfaction the progress made in implementing the accords secured previously in December. Nevertheless, he stressed, it is essential today to make another significant move toward broadening our cooperation, which is assuming increasing openness and mutual trust in line with the two countries' national interests. He voiced a high opinion of the work performed by the experts and working groups which had prepared a number of important documents for the collegium session.

Without going into detail on their content, let us note the main points. They are primarily designed to stipulate the dates for and procedure governing the elaboration of common principles for the military organizational development of the Russian and Belarusian Armed Forces, the elaboration of a concept for joint defense policy, and the planning of joint measures for operational training and the use of military infrastructure facilities in the interests of ensuring regional security and training cadres at Russian and Belarusian higher educational establishments.

Analyzing the nature of these areas of military cooperation, Army Gen. Pavel Grachev stressed that they are evidence of the military departments' multifaceted, long-term cooperation based on the two countries' Community Treaty. These relations represent a barometer for other Commonwealth countries, many of which have lately displayed interest in this formula for cooperation.

During the news conference after the signing of the documents, journalists enquired whether the Russian-Belarusian Community Treaty will enable further steps

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to be taken to deepen military cooperation. The response was positive. Certain legal ramifications of the two countries' legislation, Lieutenant General Leanid Maltsaw, Belarusian defense minister, pointed out, right now make it impossible to work at full stretch, so to speak. However, that is a matter of time. Definite proposals regarding the elimination of all the obstacles will be prepared for both the two countries' parliaments and their governments. That will undoubtedly speed up the military integration process.

But, despite minor problems, an undoubted qualitative breakthrough has been made recently in certain areas of military cooperation. Thus, since 1 April this year, for instance, the two countries' air defense specialists have been performing combat alert duty not "jointly" but as a unified air defense system, within the framework of the two countries' constitutions. Similar tremendous opportunities exist as regards the information exchange system and military-technical cooperation. In this sphere, Army Gen. Pavel Grachev, Russian Federation defense minister, stressed, we are able to use all the technical and production resources, which Belarus has managed to keep in working order despite the extremely grave economic situation.

It should be pointed out that the documents signed in Moscow confirm the dynamic, effective nature of our bilateral military relations. Thus, Army Gen. Pavel Grachev noted for instance that many of the planned measures will start to be implemented before the second quarter ends, once matters pertaining to the training of military cadres have been spelled out. An agreement on principles for ensuring regional security and the common principles for the organizational development of the Russian and Belarusian Armed Forces must be drafted definitively before the fourth quarter of the year and a new draft treaty on military cooperation prepared. All this only applies to the military- political aspects. When it comes to military-technical cooperation the emphasis is placed on joint use of a single military-technical base and a switch to common equipment and arms.

There is no doubt that the latest meeting of the military top brass considerably galvanized the process of Russian-Belarusian integration. Just as there is no doubt that keen interest will be shown in the results of this meeting outside the near abroad as well. When asked whether the deepening military cooperation between Russia and Belarus is anti-NATO, Army Gen. Pavel Grachev, Russian Federation defense minister, replied that bilateral relations are not directed against any country or NATO as a whole. They are primarily designed to ensure regional security within the framework of the Community Treaty. Nevertheless he once again expressed Russia's firm stance against the North Atlantic alliance's eastward expansion via former socialist countries or former Soviet republics.

**Belarus: Supreme Soviet Chairman Meets Russian Delegation**

*MM1505153796 Moscow RABOCHAYA TRIBUNA in Russian 15 May 96 p 1*

[Unattributed report: "Cooperation Treaty Is Being Prepared"]

[FBIS Translated Text] Semen Sharetskiy, chairman of the Belarusian Supreme Soviet, has met with a delegation from the Russian Federation Comptroller's Office headed by its chairman, Khachim Karmonov [?]. During the talk the parliamentary speaker said that our countries have already signed a cooperation agreement. Next in line is an accord between the Belarusian Auditing Chamber and the Russian Federation Comptroller's Office.

Khachim Karmonov noted that the elaboration of such documents by the two countries' auditing organs is being pursued quite actively. The two sides agreed that the auditing organs' experience in auditing and in monitoring the expenditure of budget funds and other spheres of state life is very useful to them.

**Belarus: Foreign Ministry on Polish Solidarity Interference**

*WS1605100696 Minsk Radio Minsk Network in Belarusian 0400 GMT 16 May 96*

[FBIS Translated Text] On 14 May, the Belarusian Embassy in Poland received a Polish Foreign Ministry diplomatic note regarding the incident over the visit by a Solidarity Independent Trade Union delegation to Minsk.

In connection with this, the Belarusian Foreign Ministry Department of Printing and Information issued the following statement: The Polish delegation arrived in Belarus at the invitation of the Belarusian Independent Trade Union. It is known that the Belarusian Justice Ministry had denied the reregistration of this trade union's statute. Besides, the Belarusian Supreme Court had not yet defined the legal status of the Belarusian Independent Trade Union. Hence, the visit by the Solidarity Trade Union representatives was not at all official in nature. The members of the Solidarity Trade Union delegation, who had organized a rally that was not authorized by the local authorities near the Minsk automatic lines factory, were detained by the Belarusian Interior bodies in strict compliance with Belarusian legislation. According to the law on the legal

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status of foreign citizens and people without Belarusian citizenship, the timeframe for Mr. Krzaklewski and his colleagues' stay was cut short.

The Belarusian Foreign Ministry regards appeals by Polish citizens to organize resistance to Belarusian legal authorities as an illegal and provocative act damaging the traditional friendly relations between our countries.

Acting in the spirit of true good-neighborly relations and trying to prevent a conflict situation from emerging, the Belarusian Foreign Ministry had drawn the Polish Embassy's attention — before the arrest took place — to these circumstances. Regrettably, despite this, the Polish Embassy did not take the relevant measures to prevent [word indistinct] of their citizens.

In the Belarusian Foreign Ministry, Polish Charge d'Affairs in Belarus Marek Ziolkowski was handed a note addressed to the Polish Foreign Ministry, in which Belarus expresses its indignation over inadmissible attempts to interfere with the internal affairs of a sovereign state.

**Belarus: Report on 14 May Rally; KGB Head Comments**

*WS1605072896 Minsk BTK Television Network in Belarusian 1800 GMT 14 May 96*

[Report by D. Kostsin and S. Selyakh]

[FBIS Translated Text] Yesterday, in the square in front of the presidential residence, an action was held in support of Yuryy Khadyka and Vyachaslaw Siwchyk, who have been kept in the Valadarski street jail since 27 April because they participated in an unsanctioned rally held on 26 April. Khadyka and Siwchyk are charged with violating Article 186-3 of the Criminal Code for organizing or actively participating in group activities which violate public order. The article stipulates imprisonment for up to three years, up to two years in a labor camp, or a penalty. The investigation should be competed by the end of June. It is expected that the case will be submitted to the court in July. After the slogans "freedom for Khadyka and Siwchyk" were shouted, the police turned to the participants in the action, asking them to disperse.

At 1800, disregarding the police demands, the column began to move in the direction of Independence Square. The participants in the action walked on the sidewalks along the Skaryna Avenue. However, due to the crowd, there were problems with public transport at the intersection with Valadarski Street. For 15-20 minutes, the participants — without contacting the representatives of power structures — managed to direct the march toward the jail and stood in front of the building. They continued to shout slogans in support of Khadyka and Siwchyk. It tuned out it was not necessary to strengthen the police cordon. After demonstrating their stance, the participants in the action gradually dispersed.

The sad echo of the alternative meeting held on 26 April 1996, which entered Belarusian history as the first massive disorders in Belarus, is still being heard. According to official police data, 184 people were detained. Nine people are now being detained in the investigation prison, accused of organizing and participating in mass disorders and of insulting the police employees who were performing their duties. Strange as it seems, seven out of these nine people are Ukrainian citizens. They are representatives of the UNA-UNSO [Ukrainian National Assembly-Ukrainian National Self Defense]. Many people accuse the Committee of State Security of passiveness. At the same time, they point to well-organized security at the meeting held on the Bangalor Square. What was the KGB doing at that time?

[Begin KGB Head Matskevich recording in Russian] Thanks to timely information received by the interested structures and departments, we managed to prevent many events. We could have had even more serious consequences. I will not talk about certain details on the preparation of the rally and the alternative meeting. I will only speak about the UNA-UNSO. Literally 10 days before the rally we received information about the UNA-UNSO. We began checking this information. Besides, we contacted our colleagues from the Ukrainian Security Service, who confirmed that indeed a detachment of over 200 people from the UNA-UNSO was getting ready to depart for Belarus. With Ukrainian assistance, we managed to prevent the departure of most of them. Besides, you know that some of them were intercepted in Baranavichi. Some people are trying to prove that only deputies, correspondents, and the like were going to Belarus. However, this is not true. Finally, 40 people came to Belarus, thus the results. If all of them had managed to come to Belarus, I think that the results would have been even sadder.[end recording]

**Belarus: Lukashenka Sends Message to Participants in TU Congress**

*WS1505135396 Minsk BELAPAN in English 0955 GMT 15 May 96*

[FBIS Transcribed Text] Belarusian President Alyaksandr Lukashenka has sent a greeting telegram to participants at the meeting of trade union organizations of Belarus and Russia which will start in Homel on May 15. "During the period of the deepening of integration and economic reform, the role of trade unions intended to protect the socioeconomic rights of labor people acquires greater significance," the telegram reads. "We are

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interested in social partnership with strong trade unions which would act in a constructive and responsible manner in the interests of our peoples and stability in the states." In conclusion Mr. Lukashenka expresses hope that the Homel forum would contribute to "the process of peoples' rapprochement," to further development of relationship between trade unions in Belarus, Russia, and other CIS member-states. As was reported by BELAPAN before, the meeting will be attended by delegations of the Belarusian Trade Union Federation, led by its chairman Uladzimir Hancharyk, and of the Federation of Russian Independent Trade Unions, led by Mikhail Shmakov.

## Moldova

### Moldova: Snegur's Aide: Dniester Memorandum Not To Be Signed 17 May

*AU1505192696 Chisinau INFOTAG in English 1808 GMT 15 May 96*

[FBIS Transcribed Text] Chisinau, May 15 (INFOTAG) — The memorandum between Moldova and the Dniester region will not be signed in Moscow on 17 May at the summit meeting of the CIS heads of state, announced Petru Dascal, adviser to the Moldovan president, at today's briefing for journalists.

The 14 May meeting of the Moldovan and Dniester leaders failed to bring the sides closer in principal matters. "In such issues, Moldova cannot allow any concessions," Dascal stressed.

During the last several months, Chisinau and Tiraspol experts have been doing an intensive team work to draft the memorandum on the basic principles of normalizing the relationship between the Republic of Moldova and the separatist region. The document was hoped very much to be signed at the above-stated summit in Moscow in the presence of international intermediaries.

Adviser Victor Josu has stated the Moldovan leadership is ready to accept any wordings in the document which would be well within the notion of "an autonomous unit."

The principal moments Chisinau is insisting on are the recognition of the sovereignty, territorial integrity, and inviolability of Moldovan borders, recognition of a single constitution, external policy, armed forces, and the Moldovan currency unit.

"All Moldovan leaders, who participated in the yesterday's meeting with Tiraspol officials, showed a full unity of opinion," Dascal stressed.

Moldovan President Mircea Snegur considers as satisfactory the way his message on pension arrears settlement was discussed by Parliament, his adviser Anatol Ciobanu announced at today's briefing.

The president is cherishing hope that Parliament and the government will find appropriate resources to repay the debts to pensioners, Ciobanu said.

Describing his personal opinion concerning the government's decision to repay the debts in kind, the adviser said this should be done only with the good consent of pensioners.

Commenting Parliament's recommendation to the president to transfer all the available corruption-related materials to law-enforcement bodies, Ciobanu explained that the presidential apparatus has no investigation commissions, and nobody of the staff accumulates such information. "All materials containing data on corruption, which come to the office are sent over to appropriate bodies without delay," the adviser said.

The Moldovan delegation heading to the 17 May Moscow summit is planning to take part in the discussion of five out of seven questions on its agenda, said adviser Petru Dascal.

Among them are the discussion of the statement of CIS heads of state on supporting democratic processes in Russia, the 1996-2000 organized crime prevention program, the Council of CIS Interior Ministers, and the rights of forcibly displaced persons and peoples.

The delegation will abstain from discussing the CIS peacekeepers in Abkhazia, and interaction of CIS Border Troops.

As for the 1996-1997 plan of CIS integration, Moldova is going to take part in considering two of its four sections — economy and organized crime prevention.

### Moldova: Tiraspol Summit Ends; No Consensus Reached on Dniester

*AU1505120496 Chisinau INFOTAG in English 2040 GMT 14 May 96*

[FBIS Transcribed Text] Tiraspol, May 14 (INFOTAG) — An ordinary summit meeting of the Moldovan and Dniester leaders was held here today. Its agenda included about 10 political and economic issues.

The sides failed to achieve a consensus on the most important question — the draft Interim Memorandum on the Dniester settlement principles. Initially, the Memorandum was expected to be signed by the Presidents of Moldova, Russia and Ukraine, OSCE representatives, and Tiraspol officials at the CIS meeting of heads of state to be held in Moscow on May 17.

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Since the last summit of April 24, the Chisinau and Tiraspol expert teams have held several working sessions to agree on the Memorandum text. However, yesterday the Tiraspol officials sent to Chisinau their own new draft which, in Chisinau's opinion, signifies the Tiraspol's return to their last year's position, when the separatist leaders stood up for the division of plenary powers between Moldova and Dniester as two equal-right subjects of international law.

"It seems to us that the Tiraspol leaders are deliberately taking their time waiting for the Russian presidential election results. They are behaving as if Boris Yeltsin has already lost the elections", a Chisinau expert said.

Today, Moldovan and Dniester leaders focused their attention on economic problems, and succeeded in reaching certain agreements. The expert teams have been requested to continue drafting the Interim Memorandum.

The economic issues discussed today included the functioning of the Moldavskaya Power Station (near Tiraspol), of the Moldovan and Dniester Chambers for Commerce and Industry, postal communication, monetary systems.

Prime Minister Andrei Sangheli stated to journalists after the summit that there still exists a possibility to elaborate the Memorandum.

According to the Dniester Deputy Premier Victor Sinev, the rebel republic's stance is: the region should be a state-territorial unit in the form of a republic, and its relationship with Moldova should be built on contract-based principles of division of plenary powers.

According to the Dniester presidential and governmental press secretary, Yelena Yefimova, President Snegur has raised the question of liberating the Ilascu group from a Dniester jail. Yefimova said, their possible pardoning is being considered by relevant Dniester authorities. As was suggested by some local officials, this problem could be solved positively parallel with granting a special legal status to Dniester.

The next summit has been scheduled for June 17.

**Moldova: Tiraspol Claims Bigger Role in Military Talks With Russia**

*AU1505125996 Chisinau BASAPRESS in English 2100 GMT 14 May 96*

[FBIS Transcribed Text] Chisinau, 14/5/1996 (BASApress) — The Moldovan-Russian military talks that resumed in Chisinau on May 6-7 again revealed the contradictory options of the sides. More symptomatic will be the difficulties which will be encountered during the implementation of the 14th Army withdrawal agreement after it will have been ratified by the Russian State Duma. During the Chisinau round, the parties exchanged opinions on how Moldova could take hold of its share of the military engineering hardware of the subunits that are currently being evacuated to Russia and on partition of the equipment of the 14th Army after its withdrawal.

Judging by the statements made by delegation heads — Moldovan Vice Foreign Minister Vasile Sova and Russian special envoy Vladimir Kitayev — existing differences make it difficult to find at least a starting point for settling all these problems. Who will own the assets of the Russian troops after their withdrawal? How much will the compensations be and who will pay them? The quest for answers to these questions raises new differences.

During private meetings, Chisinau experts have launched the supposition that Russia might give up pulling out the military hardware, weapons and munitions as these operations would be too costly. This is the reason why the Moscow delegation tried to test the variants of selling or destroying the stock of weapons. Of course, neither variant can be implemented before ratification of the Russian troops withdrawal agreement. The negotiators could not settle at least the problems which are included in the agreements that are already in effect. This is, first of all, the transfer of the engineering equipment blocked by the Dniester authorities. Vladimir Kitayev said to solve this problem additional efforts are required. While Vasile Sova pointed out that Tiraspol can easily take over its share of equipment.

During the talks, delegation heads signed an agreement that permits Moldovan customs to check any plane landing on or taking off the Tiraspol military airport. The agreement was not however signed by Tiraspol representatives, which makes its implementation unlikely.

Experts think that confidential consultations between Kitayev and Igor Smirnov have put Chisinau at disadvantage. Kitayev was forced to meet the Tiraspol leader since the Dniester delegation ostentatiously refused to come to Chisinau and participate in the negotiations as mere observers. Soon after the meeting with Kitayev, Igor Smirnov stated that the Russian military equipment partition will be discussed separately between Tiraspol and Moscow. The military adviser of the Tiraspol leader, Stefan Chitac, stated in a very tough manner that none of the Moldovan-Russian agreements could be fulfilled.

The Dniestrian made a clear suggestion that neither Chisinau nor Moscow would be able to solve the problem of military assets without the assistance of the

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Tiraspol government which controls the region. According to observers, the statements made by Smirnov and his military adviser confirm that Tiraspol will insist on participating in negotiations as a third party with full rights.

It is certain that Moldovan-Russian military negotiations will have to be incorporated in the general context of the Dniester dispute settlement process. Since Dniester's special status was not approved, Tiraspol leaders could follow a resolution passed by the Dniester Supreme Soviet in 1994 which says that the military equipment left after the Russian troops withdrawal is property of the Moldovan Dniester Republic.

Russia could make use of Tiraspol's irreconcilable position to put pressure on Chisinau, which earlier said it would make no concessions about Russian troops' stationing in Moldova. Moldovan officials rejected the proposal to reorganize Russian units into peacekeeping forces and proved even more adamant about a Russian military base in Moldova.

The lack of progress in transferring the military equipment to Chisinau, the impossibility of Moldovan observers' participation in the munitions liquidation process and impossibility to have Chisinau control the military airport in Tiraspol will be declared as manifestation of Tiraspol's insubordination. While no one seems to doubt Moscow's possibilities to easily eliminate any "objective" circumstances, Chisinau could be demanded to make concessions in return for taming the Tiraspol "vultures". And the recent round of talks seems to have been one that attempted to explore this avenue.

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## Tajikistan

### Tajikistan: Rakhmanov Meets With New UN Representative

*LD1505194396 Dushanbe KHOVAR in Russian 1200 GMT 15 May 96*

[FBIS Translated Excerpt] Reception of The UN Secretary General's Special Envoy

President of Tajikistan Emomali Rakhmanov received today the new special envoy of the UN secretary general to Tajikistan, Mr. Dietrich Mehrer.

During a businesslike and friendly conversation, Rakhmanov familiarized the guest with the social, political, and economic situation in the country and told him about the measures being taken by the republic's government to ensure an economic upturn and to improve the social life of the population. Touching upon the matter of the Tajik conflict, the head of state noted that it is impossible to resolve the Tajik problem by force. I have been and remain a supporter of a peaceful settlement of the Tajik conflict, the country's president stressed.

Rakhmanov once again confirmed the position of the country's government with regard to extending the agreement to cease fire and other hostile acts on the whole territory of the republic and on the Tajik-Afghan border during the whole period of the Tajik talks. The country's president stressed the importance of improving the mechanism for monitoring the cease-fire and the need to continue implementing the documents signed earlier with the opposition.

The parties agreed that the restoration of an effective and real cease-fire is a necessary condition for continuing the Tajik political dialogue. It was noted that it is necessary to resume the next Ashgabat stage of the Tajik talks more quickly. [passage omitted]

After the official part of the reception, the UN secretary general's special envoy, Mr. Dietrich Mehrer, gave an interview to foreign and local correspondents. Regarding the date and the resumption of the negotiating process and the situation in Tavil Dara District, he gave the following answer:

"I have only just arrived in Tajikistan and I have not had the opportunity yet to meet the Tajik opposition leaders; therefore, I cannot give a date for the resumption of talks. However, after my meeting with president of the Republic of Tajikistan, I have assured myself that His Excellency sees that peace in Tajikistan can be achieved only by holding negotiations. I intend to meet the opposition leaders in the next few days and I think that the negotiations will start soon, possibly at the end of June."

Concerning the situation in Tavil Dara District, the special envoy added: I can say only that I am a new man and I cannot analyze the situation in this region. I know the situation is very serious in that district, but it is necessary to halt all combat operations in order for the negotiating process to resume. I should emphasize, Mr. Dietrich Mehrer said, that political dialogues have to be prepared comprehensively and properly, so as to attain the desired results and to ensure peace on Tajik soil.

### Tajikistan: News Agency Reports Fall of Tavil Dara on 12 May

*LD1505182896 Dushanbe KHOVAR in Russian 1200 GMT 15 May 96*

[FBIS Translated Text] As a Khovar news agency correspondent learned from the public relations center of the Ministry of Security of the republic of Tajikistan on 15 May, armed formations of the Tajik opposition, in breach of the temporary cease-fire agreement, attacked positions of government forces in Tavil Dara District on 12 May. In order to avert bloodshed and prevent the destruction of social facilities and people's homes, the government forces left the district center and occupied strategically important positions on the approaches to the district.

Measures to oust militants from the territory of Tavil Dara and to stabilize the situation in the region completely are now being taken.

### Tajikistan: Situation in Cities Normalized After Demonstrations

*LD1605105596 Moscow INTERFAX in English 0837 GMT 16 May 96*

[FBIS Transcribed Text] DUSHANBE, May 16 (Interfax) — The situation in Ura-Tyube in the Leninabad region of northern Tajikistan has normalized, a top-ranking official from the Tajik Interior Ministry told Interfax on Thursday.

Demonstrators returned home on Wednesday night, he said.

Demonstrations started in Ura-Tyube on May 14. They were accompanied by riots, as a result of which three people were killed and eight wounded.

As before, the situation in the region's administrative center Khodzhent remains tense. An unauthorized rally has been held there from May 12. About 1,000 people are demanding the resignation of the regional leadership, tough control over humanitarian aid, six-months of training for conscripts before they are sent into combat operations, and a change in staff policy to distribute

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leading posts equally between representatives of all regions of Tajikistan.

The demonstrators demanded that people's deputy and prominent businessmen Saifiddin Turayev be appointed to the post of chairman of the regional administration.

Public order is not being violated in the city. Deputy chairman of the Tajik parliament Khamid Pulatov and the Tajik Deputy Interior Minister are negotiating with the demonstrators, the source said.

Residents of the cities of Shakhristan and Isfar also started rallying on Thursday. According to the Tajik Interior Ministry, they have been organized to support demands by residents of Khodzhent, primarily to replace the region's leadership.

**Tajikistan: Fighting With Rebels Resumes in Tadjikabad Area**

*LD1605112196 Moscow ITAR-TASS in English 1107 GMT 16 May 96*

[FBIS Transcribed Text] DUSHANBE May 16 (Itar-Tass) — Fighting between Tajik government troops and Islamic opposition rebels resumed in the central part of the country at the feet of the Pamir mountains on Thursday morning, independent sources told Tass.

They said fighting raged in the mountain Tadjikabad region, 240 kilometres east of the Tajik capital.

A high-ranking Tajik law enforcement officer confirmed the report to Tass, but said no details were available because of "the absence of proper communications" with the region.

Earlier Islamic opposition fought in the central Tavil Dara region and seized the city of Tavil Dara, which is closer to Dushanbe than Tadjikabad. However, a lull has been reported there of late as the Islamists were waiting for reinforcements.

## Turkmenistan

**Turkmenistan: Oil Pipeline MOU Signed With Pakistan in Ashgabat**

*BK1505141896 Islamabad PTV Television Network in English 1300 GMT 15 May 96*

[FBIS Transcribed Text] Pakistan and Turkmenistan signed another MOU [Memorandum of Understanding] in Ashgabat last night for the laying of an oil pipeline network between the two countries. Federal Minister for Petroleum and Natural resources Anwar Saifullah Khan and Foreign Minister Sardar Asif Ahmad Ali signed the MOU on Pakistan's behalf while Turkmenistan's petroleum minister signed on his country's behalf. President Farooq Ahmad Khan Leghari and the Turkmen president, Saparmurad Niyazov, were also present on the occasion.

According to Pakistan Television correspondent, Usman Ghani Memon, Afghanistan is expected to join the accord at a later date, which will enable finalization of the practical side of the project. There is a modern oil refinery in Turkemenistan with a capacity of processing 10 million tons of oil. However, after the demise of the Soviet Union this refinery is working at half its capacity. After the completion of the project under ECO [Economic Cooperation Organization], it will again be working at its full capacity benefiting the entire region.

**Turkmenistan: Afghan, Azeri, Turkish Leaders Meet With Iran's Rafsanjani**

*LD1505165196 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 15 May 96*

[FBIS Translated Excerpt] Afghan President Borhanoddin Rabbani, Azerbaijan President Geydar Aliyev, and Turkish President Suleyman Demirel met and conferred with [Iranian] President [Akbar] Hashemi-Rafsanjani in separate meetings in Ashgabat last night. Our correspondent reports.

[Correspondent] President Rabbani of Afghanistan referred to the successful Economic Cooperation Organization [ECO] summit in Ashgabat and expressed the hope that the results of the summit would lead to the expansion of economic activities among the countries of the region, to the consolidation of peace and stability, and to the resolution of regional conflicts.

Rabbani expressed satisfaction about the fact that ECO has begun implementing previously agreed accords. The Afghan president also gave a report about the latest political and military developments in Afghanistan and said: The humanitarian assistance of the Islamic Republic of Iran has always alleviated the problems of Afghanistan and we express our gratitude for this.

At the meeting, Rafsanjani expressed the hope that, with the resolution of the problems in Afghanistan and the ending of the conflict in that country, Afghanistan would be able to play a more active role in ECO.

The Azeri president, for his part, expressed pleasure about the great achievements of the Islamic revolution, such as the revival of the Silk Road, which are beneficial for economic development throughout the region.

Aliyev expressed gratitude for the principled stance adopted by Iran on the Karabakh conflict and the remarks made by our country's president at the ECO summit, saying: Iran has made considerable technical

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and economic progress in recent years and Azerbaijan is interested in expanding friendly ties with Iran in the political, economic, industrial, and cultural fields. He also asked for Iranian cooperation on supplying gas to Nakhichevan and on resolving transport problems in the Astara Region [on the border between Iran and Azerbaijan].

President Rafsanjani spoke of the shared religious, cultural, and historical features of Iran and Azerbaijan and described them as a good foundation for closer cooperation between the two countries towards the development and construction of Azerbaijan. The president stressed: From the start of Muslim Azerbaijan's independence, Iran has welcomed the establishment and strengthening of ties in order to help consolidate that country's economic independence and it has continued to maintain this principled stance.

Rafsanjani made the following remarks about the Karabakh conflict: We hope that, with the withdrawal of Armenian forces from the occupied parts of Azerbaijan, the two countries will achieve peace and friendship in the framework of talks and understanding. [passage omitted]

**Turkmenistan: Niyazov, Rafsanjani Inaugurate Construction Projects**

*LD1505151596 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 15 May 96*

[FBIS Translated Excerpt] Work began today, in the presence of President Akbar Hashemi-Rafsanjani and Turkmen President Saparmurad Niyazov, on the construction of the highway between Ashgabat and Geok-Tepe, and on the construction of a fiber-optic project from Asia to Europe. Our correspondent reports.

[Unidentified correspondent] In the presence of the presidents of Iran and Turkmenistan, construction work began today on a four-lane highway from Ashgabat to Geok-Tepe, over a distance of nearly 50 km. This road will be built with the cooperation of the [Iranian] Ministry of Roads and Transport and Iranian contractor companies, over a period of three years, and $47 million will be spent on its construction. [passage omitted]

Also in the presence of the presidents of the Islamic Republic of Iran and Turkmenistan, work began this morning on the project for a fiber-optic link between Asia and Europe. This project is being implemented over a distance stretching from Shanghai in China to Frankfurt in Germany in order to meet the ever-increasing communications needs of Asian countries and will, in fact, constitute another Silk Road, with advanced communications capabilities. It will link 4 billion people in the world and will create facilities for 100 television channels. [passage omitted]

Also in the presence of the two presidents, the new building of the Embassy of the Islamic Republic of Iran in Ashgabat was opened today.

## Uzbekistan

**Uzbekistan: Karimov Criticizes Politicization of ECO**

*LD1505192796 Tashkent Uzbekistan Television in Russian 1430 GMT 15 May 96*

[FBIS Translated Excerpt] President Islam Karimov of the Republic of Uzbekistan returned to Tashkent yesterday evening after attending the solemn opening ceremony of the Mashhad-Sarakhs-Tedzhen railway in the Islamic Republic of Iran and taking part in the routine meeting of the heads of the member states of the Economic Cooperation Organization [ECO] in Turkmenistan. Here is a dispatch from our special correspondent on the results of the visit:

[Begin recording] [Correspondent] [passage omitted] On the evening of 13 May the heads of the ECO member states arrived in the capital of Turkmenistan, Ashgabat, where the routine ECO summit opened the next morning. [passage omitted]

The participants in the summit discussed and adopted the agenda. According to that agenda, each head of state delivered a short speech to the assembly. The meeting took particular interest in the speech by President Islam Karimov, who noted that Uzbekistan...

[Karimov, in progress] ...is pursuing a consistent policy aimed at deepening and lending greater dynamism to Central Asian integration which is objective in nature. At the same time, we have declared clearly our commitment to international cooperation in order to achieve broad integration of our economy into the world economic community.

I have said repeatedly what Uzbekistan wants the integration process in terms of cooperation among the new independent states to look like. We believe that partnership must be based on equality and must in no circumstances restrict our freedom, our independence and our developing contacts with countries in various parts of the globe. It is unacceptable to force the pace or to politicize or ideologize this process. Integration presupposes goodwill, equal rights, and total freedom in both the choice of partners and the degree of involvement in that process.

Mr. Chairman, in parallel with the practical implementation of efforts to achieve integration, great attention has

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been paid lately to drawing up concepts to form the basis of international integration. In this context, I should like to stress that it is not states which should integrate, but their de-ideologized and de-politicized economies and markets. The Economic Cooperation Organization will truly become an organization of integration if it operates on the basis of these principles. [passage omitted]

[Correspondent] As the abilities, prestige, and influence of this regional organization have grown, it is unfortunate that tendencies towards using the ECO to express political declarations have emerged more and more frequently. President Karimov drew particular attention to this point. He said that it is unacceptable to politicize and ideologize the ECO, referring to the danger that it might be turned into a military and political formation:

[Karimov] I do not think that this prospect can suit anybody. We are absolutely convinced that this forum, which by virtue of its essence, its name and its purpose has the goal of tackling economic, humanitarian and communications problems — above all, and let me emphasize this, communications problems — must not be turned into a platform for various political declarations and speeches. We are categorically opposed to that.

In particular, we regard as unacceptable and are categorically opposed to attempts to use this platform for various attacks and accusations against other countries, which are not present here and do not belong to the ECO. We cannot agree with the attempt by individual countries and their leaders to foist upon us, the ECO forum, their own vision of the way to solve important international and political problems. Such a vision is absolutely unacceptable to us — in particular, I am speaking on behalf of the Uzbekistan delegation. This we declare categorically. In the future, if such declarations and such attempts to turn this forum into a political forum continue, I declare with total responsibility: Uzbekistan will leave the ECO.

Esteemed heads of state! The member countries of the Economic Cooperation Organization have great creative potential. If we are united by purity of purpose, nobility of goals and the sincere desire to help each other, the common economic area among our states will expand and grow stronger. This is the key to the prosperity of our countries and peoples and to the strengthening of mutual trust, peace and stability in our regions. [passage omitted] [end recording]

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## Armenia

### Armenia: CIS Border Troop Commanders Sign 22 Documents

*NC1505154696 Yerevan SNARK in English 1500 GMT 15 May 96*

[FBIS Transcribed Text] Yerevan, May 14 (SNARK)— Twenty two documents were signed as a result of today's session of the Council of Commanders of CIS Countries' Border Troops headed by General Andrey Nikolayev, Director of the Russian Federal Border Service.

According to the General, among the most important documents signed today are the Declaration on Principles of Maintaining Regime in the Foreign Borders of the CIS Country-Participants, Cooperation Agreement on Border Guard, Plan of Commanders of Border Troops for implementation of the Interstate Program of Joint Struggle Against Organized Crimes and Other Kind of Dangerous Crimes in the Territory of CIS Country-Participants up to the year 2000.

Apart from this, participants of the session approved the cooperation principles of the Council with other countries out of the CIS structure while in the field of border guard. They also appreciated the plan for assisting the formation and development of the border troops of Tajikistan which will in turn promote maintenance of stability in the southern borders of the CIS.

The participants suggested that integration process of guarding foreign borders of the CIS country-participants should be intensified. They adopted a resolution on holding the next session of the Council in the second half of this September in Tbilisi.

### Armenia: More Active Azerbaijani Role in Commanders' Council Viewed

*NC1505160496 Yerevan SNARK in English 1500 GMT 15 May 96*

[FBIS Transcribed Text] Yerevan, May 14 (SNARK)— Answering SNARK's question on Azerbaijan's participation in the so-called border integration in the framework of the CIS, Andrey Nikolayev, Head of Commanders' Council and Director of the Russian Federal Border Service, stated that Azerbaijan could more actively participate in the work of the Council, as well as integration process.

Nikolayev express hope that in the future Azerbaijan would more constructively cooperate with the Council. According to him, Russia and Azerbaijan are likely to sign cooperation agreement in the field of guarding borders in the near future. The agreement might eliminate various existing problems and will allow to more tightly cooperate both on bilateral and multilateral basis.

Nikolayev was asked to comment on Azerbaijan's refusal to participate in the Council's session just because it was to be held in Armenia which, according to Commander of the Azeri Border Troops Abasali Novruzov, is in war with Azerbaijan. Nikolayev said that no comments are needed in this case as recently the Council of CIS Internal Ministers was conducted also in Armenia and the Azeri Deputy Internal Minister quite actively participated in it.

### Armenia: Yerevan Says No Progress in Nagorno-Karabakh Settlement

*LD1505143696 Moscow INTERFAX in English 1224 GMT 15 May 96*

[FBIS Transcribed Text] YEREVAN, May 15 (Interfax) — There has so far been no notable progress in reaching a comprehensive political treaty on resolving the Karabakh issue, a high-ranking Armenian official said.

Vardan Oskaryan [as received], deputy foreign minister, told Interfax on Wednesday that "the only positive result of the so-called shuttle diplomacy launched in the region by Russia is the release of prisoners of war that occurred during a visit here by Russian Foreign Minister Yevgeniy Primakov last week."

However, he said, "this was the first step designed to help create a more favorable climate for successful negotiations among the parties."

Speaking about the role of the Organization for Security and Cooperation in Europe (OSCE) in the Karabakh settlement, Oskaryan noted that "the Minsk process came to a halt two months ago and no one knows when the next round will take place."

The deputy foreign minister said this may happen in the second half of June, but the final date will have to be agreed only after a visit to the region by a co-chair of the OSCE Minsk Group scheduled for late May or early June.

However, Oskaryan believes that "it would be going to extremes to say that the negotiating process is in a deadlock because the parties to the conflict maintain contact in one form or another and continue their dialogue."

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## Azerbaijan

### Azerbaijan: Mutalibov To Seek Political Emigrant Status in Russia

*LD1405132196 Moscow INTERFAX in English 1201 GMT 14 May 96*

[FBIS Transcribed Text] MOSCOW, May 14 (Interfax) — Ex-president of Azerbaijan Ayaz Mutalibov proclaimed his intention to seek the status of political emigrant in Russia.

He addressed this request to President Boris Yeltsin, he told Interfax on Tuesday.

"I cannot call myself simply a refugee. I have no moral right to do so: I was Azerbaijan's legitimate president," he said.

Nevertheless Mutalibov said that a bill on political emigration has not been adopted in Russia yet.

The office of Russia's prosecutor general on Monday turned down the Azerbaijani authorities' request to extradite the ex-president, and he was released from police custody in Moscow.

Mutalibov was detained in the small hours of April 12 and spent a month at a hospital in Moscow. He repeated that the authorities in Baku had fabricated their criminal case against him.

He has no intention of leaving Russia despite Baku's threats that it will have him extradited sooner or later, Mutalibov said. According to him, not only material reasons play a role in this. "It involves not only me, but my eight-member family," he said.

With reference to the prospects for receiving Russian citizenship Mutalibov said that he has no such plans so far. "However if I begin to feel that I must ask for it, I will take the corresponding decision," he said.

He has no intention of engaging in political activity beyond Azerbaijan, Mutalibov declared. Nevertheless he conceded that if he had the opportunity to live in Azerbaijan, he "would do it with pleasure," he said.

### Azerbaijan: Paper Analyzes Reasons for Mutalibov Not Being Extradited

*LD1505203696 Moscow ARGUMENTY I FAKTY in Russian May 96 No 20, (signed to press 14 May 96) p7*

[Report by Vyacheslav Nikolayev under the "Behind the Scenes" rubric: "Mutalibov Released"]

[FBIS Translated Text] **A new political sensation in Moscow: Former Azeri President Ayaz Mutalibov has been released from custody by a decision of the Russian Procurator-General's Office.**

The list of "complaints" from the Azeri authorities against their "ex" is pretty impressive: it includes organizing illegal armed groups, selling arms, and even committing several acts of terrorism. Let's leave to one side the juridical and procedural considerations and both sides' arguments and counter-arguments (four trips by Azeri Procurator-General Umarov did not convince experts at the Russian Procurator's Office of anything). Let's ask the question: why has Russia made this particular decision in this instance? And why has it turned out rather different from the one taken about Rahim Gaziyev [former Azeri defense minister during Mutalibov's presidency, extradited from Russia to Azerbaijan] who was successfully "surrendered" to the Azeri authorities?

I think one weighty reason is behind this decision: the Russian leadership realized that Azeri President Geydar Aliyev had run into serious problems in both foreign and domestic policy. Difficulties came to light in implementing the oil contract of the century, which he tried to make the basis of his entire policy. The American companies, which received 44 percent under the sensational contract, are today known to be getting rid of their shares and giving them to the Japanese. Other Western companies are doing the same too. In this way the idea of re-orienting the Azeri economy to the West has come under threat.

Showing Moscow that he gives priority to being a genuine national leader, at the same time Geydar Aliyev tried to oust, and even better to get rid of, the pro-Russian political opposition which in Azerbaijan is closely associated with the name of Mutalibov. I think that this was also a consideration in the decision "not to hand him over": If the Kremlin handed over "its own man" the opposition inside the country would strike a blow against Yeltsin at the current, decisive stage of his electoral campaign. But this is only a suggestion.

The question of Mutalibov's current status and to what extent Russia is able to guarantee his security arises in this regard. He is known while still in hospital to have written a second declaration (he wrote the first back in 1992) on being given the status of a political refugee. The presidential apparatus has examined this document but a decision has not yet been made. However, it cannot be ruled out that a decision might appear now that the verdict of the Procurator's Office has been published.

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**Azerbaijan: Central Asia-Iran Rail Link Seen as 'Opportunity'**

*NC1505160296 Baku TURAN in English 0812 GMT 15 May 96*

[FBIS Transcribed Text] BAKU /15.05.96/ TURAN — As to opinion of Baku's officials, connection of railroads of Turkmenistan and the Central Asia as a whole with Iran opens new perspective for Azerbaijan.

From now on Azerbaijan has the opportunity to receive and send cargoes to Iran and Turkey by the railroad through the ferry crossing Baku-Turkmenbashi (former Krasnovodsk). It is very important for Azerbaijan, northern transportation communications of which are still blockaded.

The experts mention that now Azerbaijan has the chance to break into foreign markets and it can refuse from one-sided orientation to transit possibilities of Russia.

"Azerbaijan will have the opportunity to receive and to send cargoes to the Persian Gulf, Turkey as well as to blockaded by Armenia Nakhichevan", Azerbaijan's Foreign Affairs Minister, Gasan Gasanov, told TURAN's correspondent.

He thinks when ferry crossing to Iran's port of Amirabad is put into operation, the length of railroads from Baku to the Persian Gulf, Turkey and Nakhichevan will reduce approximately by 1,000 kilometres.

**Azerbaijan: 'Sensation' as Demirel Suggests Turkey Build Pipeline Alone**

*NC1505170096 Baku TURAN in English 1500 GMT 15 May 96*

[FBIS Transcribed Text] Baku/15.05.96/TURAN—If the AIOC [Azerbaijani International Operating Company] cannot determine the route of the strategic pipeline, Turkey is able to build it itself on the route Baku-Ceyhan. Such a sensation statement was made by the president of Turkey Suleyman Demirel on May 14 to Turkish journalists.

Demirel said that Turkey should build this pipeline under any conditions and must demonstrate to "all who doubts" the reliability and effectiveness of this route. "We will build this pipeline even if the oil is not transported through it", he said.

Turkish experts consider that the reasons for such unordinary statement of Demirel are a number of serious "failures" of Turkey in the question of transportation of oil from the Caspian fields to Europe. As an example they mention the decision of Kazakhstan to transport its oil via Russia and Iran, joining of Iran to the project for development of "Shah-Deniz" field, joining the countries of Central Asia transasian railway, again via Iran.

Turkish experts consider that these facts demonstrate that Turkey have lost it's key positions in the region. At the same time it shows growing influence of Iran on neigbouring countries.

* Early in 1995 Turkish [pipelines] corporation "BOTAS" worked out 7 alternative options of the oil pipeline for transportation of the Azeri oil. Three projects are considered as most perspective:

1. Baku-Tbilisi-Ceyhan (length 1.695 kilometres, value -$983 million.)

2. Baku-Armenia-Nakhichevan - Ceykhan (1.632 km, value $958 million)

3. Baku-Iran-Nakhichevan - Ceyhan ( 1.677 km, $987 million.)

## Georgia

**Georgia: Georgia, South Ossetia Sign Peace Memorandum**

*LD1605101396 Moscow INTERFAX in English 0938 GMT 16 May 96*

[FBIS Transcribed Text] MOSCOW, May 16 (Interfax) — The warring sides in the Georgian-Ossetian conflict signed a memorandum on securing the peace in the region at the Kremlin.

The signing followed talks between Russian President Boris Yeltsin and Georgian President Eduard Shevardnadze. Yeltsin, answering a question from an Interfax correspondent, called the memorandum the "first step toward resolving the conflict," adding that Russia had "carried out its peacekeeping role."

Shevardnadze, President of Northern Ossetia Akhsarbek Galazov, and others taking part in the ceremony praised Russia's and specifically its president's role in the peace.

The memorandum, developed with the active participation of the Russian Foreign Ministry, was signed by principals Georgian Foreign Minister Irakly Menagarishvili and South Ossetian leader Lyudvig Chibirov. Intermediaries also involved in the signing were Russian Foreign Minister Yevgeniy Primakov, Galazov, and the leader of the Organization for Security and Cooperation in Europe mission in Georgia Dieter Boden.

The sides in the memo reject the use of force, or political, economic, or other forms of pressure on each other.

The two principals promise to take all necessary measures to prevent ethnically motivated crime.

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The sides also agree to take concrete measures to provide a "solution to the problem of refugees caused by the Georgian-Ossetian conflict."

Individuals taking part in the armed conflict but not committing war crimes or crimes against the civilian population will not be charged, the memo states. The sides also agree to aid law enforcement agencies in investigating such crimes and prosecuting the criminals, and to cooperate with the agencies in fighting crime in the war zone.

This zone will be gradually demilitarized. Peacekeeping forces may work there.

Talks "toward a full-scale political settlement" would continue, the sides said.

The memo states that its accord is based on the principles of territorial integrity and national self-determination.

The conflict between Georgia and Ossetia began in November 1990, when the leaders of South Ossetia, disagreeing with Shevardnadze's plans for Georgian independence, declared their status as raised from an autonomous region to a republic within Georgia. The Georgian parliament accused the South Ossetian leaders of separatism and, in December 1990 abolished the South Ossetian autonomous region.

South Ossetia, disagreeing with this decision, declared its separation from Georgia and held a referendum to join the USSR. Its leaders later called for unity with Northern Ossetia within the Russian Federation. Fighting which began January 5, 1991, ended in the summer of 1992 after a peacekeeping force made up of Russians, Georgians, and Ossetians entered the region.

**Georgia: Abkhaz Separatists Oppose Change in Peacekeepers Mandate**

*LD1605110996 Sukhumi Republic of Abkhazia Radio in Russian 0345 GMT 16 May 96*

[FBIS Translated Text] The Ministry of Foreign Affairs of Abkhazia made a statement on 15 May. The statement says:

The issue of renewing and amending the mandate of peacekeeping forces of the Russian Federation in Abkhazia, along with other issues, is scheduled to be discussed at the CIS summit in Moscow on 17-18 May. The Georgian side insists on introducing amendments into the mandate of the Russian peacekeeping forces, which would assign obligatory police functions to them in order to secure a mass return of refugees to Abkhazia. This has been stated by the Georgian president's press secretary, Vakhtang Abashidze. In his words, Georgia will demand that at the first stage the peacekeeping forces will have to exercise police functions in the Gali District of Abkhazia and later throughout the whole territory of Abkhazia. The plan stipulates that the sentry posts and check-points of the peacekeeping forces be moved from the Inguri river to the Ghalidzga river deep in the Abkhazian territory.

The compliance with Georgia's groundless demands will inevitably lead to the failure of the peacekeeping operations in Abkhazia and to the resumption of combat activities. The Ministry of Foreign Affairs of the Republic of Abkhazia states that under the 14 May 1994 agreement, in line with which the peacekeeping forces were deployed in the Abkhaz-Georgian conflict zone, mutual consent of the sides is required to introduce any changes in the mandate of the forces.

**Georgia: Ajaria Refutes Sovereignty Demand as Media 'Slander'**

*AU1505130096 Tbilisi SVOBODNAYA GRUZIYA in Russian 4 May 96 p 1*

["Statement by the Press Service of the Ajarian Autonomous Republic Supreme Council"; place and date not given]

[FBIS Translated Text] On 29 April of this year, the IBERIA information agency, with reference to so-called "reliable sources," disseminated information with such a glaring headline: "Aslan Abashidze Is Threatening the Authorities." It states:

"Aslan Abashidze, chairman of the Ajarian Autonomous Republic Supreme Council, is threatening the Georgian authorities that, unless Ajaria's status is defined as a sovereign presidential republic within a single federal Georgia in the near future, it will not assist in the plan to transport oil across the territory of Georgia" (the style has been preserved).

Regarding this, the press service of the Ajarian Supreme Council is empowered to state: "This false information cooked up by IBERIA is not only disinformation that is lacking any kind of substance but also a concrete example of journalistic irresponsibility that represents a continuation of the repulsive mania for slander that has recently been published in certain republican newspapers with the aim of discrediting Ajaria and its leadership and setting it against the central authorities.

"Today, it becomes clear that, against the background of the great cultural construction that is under way in Ajaria and peace and order there, the IBERIA agency and other information media are trying in such a concentrated and purposive manner to establish firmly

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in the consciousness of our general public the syndrome of so-called 'unruly Ajaria' and are carrying out the order of those forces whose goal is to exacerbate the political atmosphere by means of deception and slander and create new hotbeds of instability in Georgia.

"The Ajarian Supreme Council and its leader have repeatedly stated that Ajaria has never created and will never create problems for Mother-Georgia and its unity and integrity, particularly regarding the implementation of most important projects that envisage the future well-being of our country and people.

"The press service of the Ajarian Supreme Council once more appeals to those ordering and those spreading such disinformation: Now that the conditions are being formed for the emergence of our country from the most serious political and economic crisis and the creation of a real atmosphere for construction, the time has come for the information media to refrain from disinformation that is based on absurd 'reliable sources' and, once and for all, turn to the truth that reigns in Ajaria that, in the words of the president, is a model example for the whole of Georgia."

[Signed] The press service of the Ajarian Autonomous Republic Supreme Council.

After the publication of the statement by the Ajarian Supreme Council, the IBERIA agency stated the following:

"A few days ago, at a news conference in Kobuleti, Aslan Abashidze, chairman of the Ajarian Autonomous Republic Supreme Council, delivered an extremely strange and ambiguous statement according to which it would be better for the Georgian authorities to extract the 5 billion metric tons of oil ostensibly deposited off the Ajarian coastline than to transport Caspian oil across the territory of Georgia.

"A correspondent for the IBERIA agency got in touch with a competent source in the highest echelons of power in Georgia who confirmed that this statement by Abashidze was undoubtedly connected with serious differences of opinion between the Ajarian leadership and the central authorities over the future status of Ajaria within Georgia.

"The IBERIA agency has no grounds for not believing the source of information. The accuracy of the information will be confirmed or refuted in the near future."

SVOBODNAYA GRUZIYA will try to return again to this subject with the help of its own correspondent in Ajaria.

**Georgia: Official Warns of 'Serious Damage' in Relations With IMF**

*AU1505154996 Tbilisi AKHALI TAOBA in Georgian 6 May 96 pp 1, 4*

[Interview with Temur Basilia, Georgian president's adviser on economic matters, by BGI correspondent Inga Dadiani in Tbilisi; date not given: "Hurling Abuse at the IMF Could Do Serious Damage to Georgia"]

[FBIS Translated Excerpt] On 1 May, Mr. Shadman Valavi, head of the IMF mission, met with Georgian businessmen in the Parliament building. The meeting acquired a scandalous character. The IMF and Shadman Valavi personally were blamed for killing business in Georgia.

[Dadiani] Can you comment on this meeting?

[Basilia] In order for us to understand what role the IMF fulfills in the process of current economic reforms in Georgia, we should recall what our country was like when representatives of this organization first came to Georgia and what we have now. It is incorrect to blame the IMF for those difficulties that currently exist in our business. [passage omitted]

[Dadiani] So, the Georgian economy overcame the crisis thanks to the aid given by precisely these organizations?

[Basilia] Of course. It was also thanks to the Georgian president. It was precisely the anticrisis program approved by the head of state that laid the foundation for negotiations between the IMF and Georgia. However, the aid given by the IMF and the World Bank was not only limited to recommendations. We also received large credits.

[Dadiani] Can you give us some figures?

[Basilia] The STF [State Transfer Facility] amounted to $84 million; the standby loan was $113 million; the ESAF [Enhanced Structural Adjustment Facility] program, which we have started this year, comes to $246 million. The credit received from the World Bank totals $194 million and this amount will increase to $250 million by the end of this year. [passage omitted]

[Dadiani] It was emphasized at the meeting with Shadman Valavi that the IMF grants financial aid only when its recommendations are being carried out. This was interpreted as the IMF laying down its dictate. Is there such a dictate?

[Basilia] There is no such dictate. The IMF and the World Bank have their own principles that they never break anywhere. If Georgia today has any kind of image in the world, this is due largely to these organizations. It is precisely Georgia's relations with the IMF and the

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World Bank that are a guarantee that business can be conducted here. [passage omitted]

There are two ways for Georgia to develop. The first, which we are following along with the World Bank and the IMF, serves to strengthen our real independence and integrate Georgia into the world economy.

[Dadiani] And the second?

[Basilia] The second way is for Georgia to integrate into the customs and taxation unions in the CIS. The IMF is categorically opposed to this way. The discussion about taxes served precisely this second way. This is a purely political show and the meeting between the businessmen and Shadman Valavi is one scene from this show.

[Dadiani] How influential are the people about whom you are speaking?

[Basilia] Very influential. They should have fairly serious influence. It's been a long time since we had such a critical situation as that prevailing now.

[Dadiani] Can you explain what you mean? Are you asserting that negative processes are now underway, which cannot be seen at a glance?

[Basilia] Yes and, in spite of the fact that Georgia is moving toward stabilization, this process has become more acute and is being directed toward Georgia's joining the CIS customs union. If this happens, our relations with the IMF and the World Bank will come to an end.

[Dadiani] Will the punishment be so severe?

[Basilia] Yes. The IMF has already severed relations with Ukraine because it has not fulfilled the basic parameters of cooperation. The situation is serious regarding Moldova and the central Asian republics.

[Dadiani] Shadman Valavi told the businessmen that their enterprises are ineffective or useless for Georgia. Do you think that the businessmen themselves are to blame for their lack of success?

[Basilia] When a businessman undertakes a venture, he should have a precise business plan and should have calculated whether it will be profitable or not. He should know the state of the market and so forth. No one should be under the illusion that those big enterprises that existed during the Soviet period will also exist today. The old ties have been severed and new ones need to be built on the basis of mutual benefit.

[Dadiani] How do you view the prospects for the development of business in Georgia?

[Basilia] The future belongs to small and medium-size enterprises. We need to reconstruct big enterprises.

[Dadiani] Can one say that the future lies with those businessmen who came to the meeting with Shadman Valavi?

[Basilia] The spheres that they represent [mainly tobacco, wine, and beer] have prospects in Georgia. However, those businessmen have been unable to orient themselves and choose the right direction. In the final analysis, they have found themselves in a difficult situation. However, they cannot blame the IMF for this. Unfortunately, we have got used to shifting the blame for everything on others.

[Dadiani] To what extent can this meeting damage relations between Georgia and the IMF?

[Basilia] It can have serious damage. I can say that the question of whether to continue relations with Georgia or not is already being seriously raised in the IMF and World Bank.

### Georgia: Foreign Ministry Views Results of Shevardnadze's Iran Visit

*LD1505193196 Tbilisi Radio Tbilisi Network in Georgian 1400 GMT 15 May 96*

[FBIS Translated Text] A news conference held at the Georgian Ministry of Foreign Affairs today was dedicated to the Georgian president's visit to the Islamic Republic of Iran and the opening of the Mashhad-Serakhs-Tejem railway. Malkhaz Kakabadze, deputy foreign affairs minister, emphasized the significance of the railway, saying that it would link the transport arteries of the states of Central Asia and the Transcaucasus with the rest of the world.

In Iran, Georgia, Azerbaijan, Turkmenistan, and Uzbekistan signed an agreement on coordinating transit of goods and an agreement on coordinating the running of railway transport.

It should be noted that all the signatories to the agreement will render free transit treatment to one another on the basis of the agreement. Tariffs have been verified and the procedure of implementing transit has been defined. All this is beneficial for the common deed, recognizes Georgia as a transit country and promotes the revival of the ancient silk road.

The issue of oil export was discussed during a meeting with the Kazakhstan President Nursultan Nazarbayev.

The deputy minister said that Eduard Shevardnadze's meeting with Iranian President 'Ali Akbar Hashemi-Rafsanjani was the most important one during the visit.

Mr. Kakabadze told correspondnets that the part of the project that suggests a link between the Iranian part of the southern Caspian Sea with Azerbaijan is being drawn up. This suggestion has also been welcomed by China, because this is the shortest route to Western Europe.

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## Estonia

### Estonia: Swedish Minister on NATO Expansion; Kallas on Russian Ties

*LD1505164996 Tallinn Radio Tallinn Network in Estonian 1300 GMT 15 May 96*

[FBIS Translated Text] Sweden supports Estonia's aspirations to increase security by influencing the talks with NATO and the European Union and by giving practical assistance to Estonia, Swedish Foreign Minister Lena Hjelm-Wallen said in Tallinn today.

Hjelm-Wallen noted that although Sweden was not a NATO member and could not directly influence the process of becoming a NATO member, it has explained its positions on the expansion of NATO to the members of the organization. The Swedish position on NATO expansion coincides with that of Estonia, Hjelm-Wallen said. She added that Sweden gives Estonia practical aid for strengthening security on borders and supports police, peacekeepers, and other structures that help to preserve Estonia's independence.

Estonian Foreign Minister Siim Kallas said that, at the moment, relations between Estonia and Russia were not at their worst. Indeed, many signs indicate the trend of improvement. Recently, both sides have avoided the sharpening of relations and have looked for ways to overcome confrontations, Kallas told journalists today.

The incident of expulsion of the diplomat is a matter of a different level and it should be kept separately from the wish of both Russia and Estonia to sort out bilateral relations. Kallas noted that the meeting of foreign ministers of the Baltic Sea states in Visby [Sweden] helped to improve Estonian-Russia relations. The one-to-one meeting between the Estonian and Russian prime ministers in Visby was also great victory for Sweden's diplomacy, Kallas said.

### Estonia: Prime Minister Says Russian Aggression Unlikely

*LD1505092296 Moscow INTERFAX in English 0824 GMT 15 May 96*

[FBIS Transcribed Text] TALLINN, May 15 (Interfax) — Estonian Prime Minister Tiit Vahi said Estonian-Russian relations "are not the best," but added that he did not believe in Russian aggression against his nation.

Speaking at a press conference in Tallinn late on Tuesday [14 May], Vahi noted that although relations between the two countries "are not the best," there is no "reason for worrying."

"Despite threats by some Russian politicians with regard to Estonia, I do not believe in the possibility of aggression on the part of the Eastern neighbor," he noted.

Vahi said "certain positive changes" have occurred in bilateral relations lately, including the ratification by the Russian State Duma of an agreement on the withdrawal of Russian troops from Estonia, some progress in closing the gap in positions on the border issue and Russia's proposal to establish most-favored-nation status.

At the same time, the prime minister stressed that while calling for the normalization of relations with Russia, "there are certain limits which we cannot overstep... It is inadmissible for diplomats of any country to conduct illegal activities here."

The remark was a clear reference to a recent expulsion of Russian diplomat Sergey Andreyev from Estonia.

Vahi said he had known about a possible expulsion of the diplomat even before his meeting with Russian Prime Minister Viktor Chernomyrdin in the Swedish town of Visby in early May and feared the incident may have a "negative impact on bilateral relations."

In the beginning of May, Estonian secret services accused Andreyev of espionage against Estonia and demanded that he be sent out of the country. In response, Moscow said it will expel an Estonian diplomat from Russia.

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